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Central Bankers Debate U.S. Rates As Dollar Climbs

From Agency Dispatches

LONDON — The U.S. dollar, although easing in late profit-taking, showed continued strength Friday against most major currencies while central bankers held out little hope for an immediate decline in interest rates amid growing concern in Western Europe and Japan.

Against the French franc, weakened after the election victory of Socialist President Francois Mitterrand, the dollar reached 5.7490 francs — the highest point since the introduction of the new franc in 1958, when 100 old francs were made equal to one new franc. The franc later recovered to 5.7175 to the dollar but was still down on Thursday's 5.6725.

In late trading, European dealers, preparing for a long weekend holiday in most of Western Europe, bought back marks, Swiss

francs and French francs to square their accounts, traders said. But the effect of the holiday did not hide the fact that the dollar's general trend was extremely strong.

The dollar hit a record against the Italian lira, went to a four-year high against the Deutsche mark and drove the British pound below \$1.93 for the first time since November, 1978.

The yen touched a 10-month low against the dollar despite the strength of the Japanese economy.

But key European central bankers stressed Friday that the current strength of the dollar may prove transitory because it stems largely from record interest rates in the United States.

Capital Movements

"Obviously this movement in the exchange rates has a lot to do with capital movements and interest-rate differentials," said Karl Otto Pöhl, president of the Deutsche Bundesbank. "Therefore, I'm not sure this is really the result of fundamental changes."

Although the bankers meeting at the American Bankers Association international monetary conference in Lausanne, Switzerland, were careful not to criticize U.S. economic policies, Mr. Pöhl made clear the European preference for lower rates.

"We would very much appreciate a different policy mix in the United States," he said. "The burden of anti-inflation policy should not be put so heavily on monetary policy, more on fiscal policy."

But both the minister and the U.S. Embassy here denied reports that the negotiations, to rework an agreement originally signed in 1953, had broken down.

Mr. Mitsotakis said it was still possible for the economic and military aid accord to be signed before parliament recessed in one month's time. He said it was "quite unacceptable for the present status of the bases to be continued," but added that negotiations were continuing in good will.

Sources said talks took a turn for the worse Wednesday when U.S. negotiators delivered replies on several issues which were considered unsatisfactory by the Greeks. The sources said Greece is unhappy with Washington's offer for a one-time payment — reportedly of \$300 million in equipment — upon the signing of the accord.

Another point of disagreement is said to be the Greek demand for a mechanism to allow it to abrogate the agreement if the United States used the bases for purposes detrimental to Athens' interests. Several other issues have been resolved, including formulas to maintain the balance of power between Greece and Turkey.

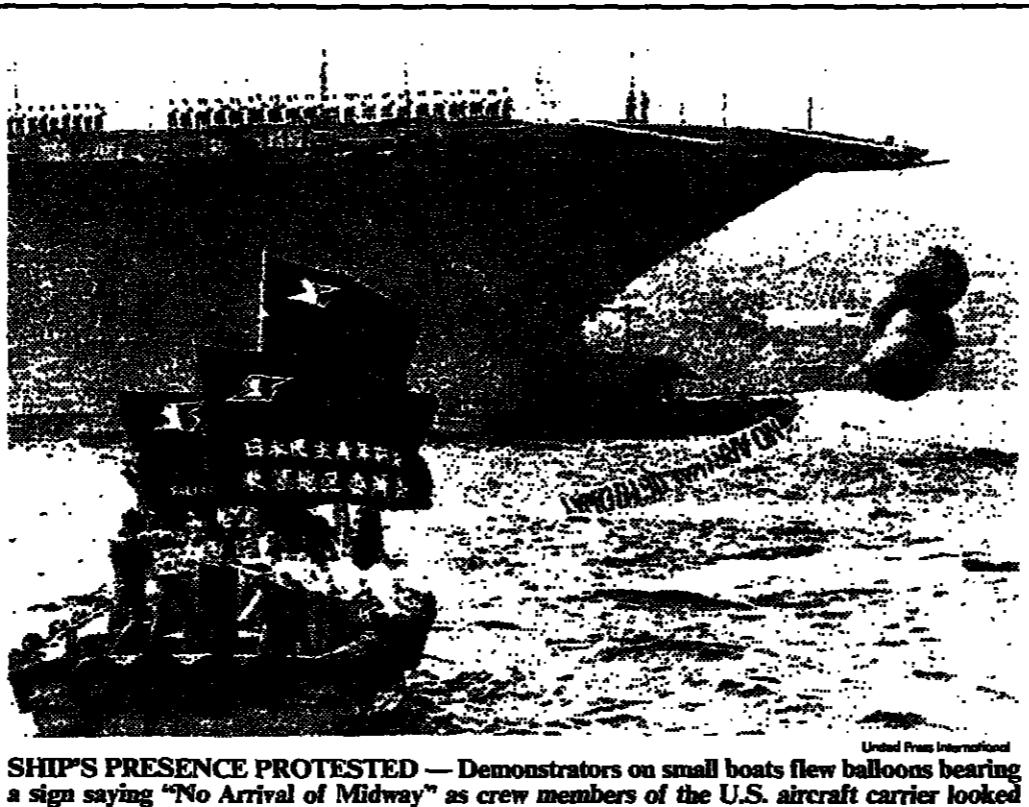
Imports Expensive

The dollar's rise has added to inflation in other countries by making imports, especially oil, more expensive.

In Tokyo, Japanese officials said they shared West German fears that continued high U.S. interest rates were distorting the world money markets.

West German Economics Minis-

(Continued on Page 17, Col. 1)



SHIP'S PRESENCE PROTESTED — Demonstrators on small boats flew balloons bearing a sign saying "No Arrival of Midway" as crew members of the U.S. aircraft carrier looked down from deck on the ship's arrival at the naval base in Yokosuka, Japan. Story, Page 2

Japan Sets Stiff Fiscal Measures, Limits Rise in Military Spending

By William Chapman
Washington Post Service

TOKYO — The Japanese Cabinet fixed austere limits Friday on all government spending next year and significantly scaled down defense officials' requests for an increase in military expenditures.

Japan's defense agency had sought an increase of about 11 percent in this year's spending, with some officials contending it was necessary to satisfy the U.S. request for Japan to expand its military capability in the Pacific.

After the Cabinet meeting, however, officials said that under the general agreement reached, military spending would not rise more than 7.5 percent in next year's budget.

The Cabinet decision was the first action affecting military expenditures since the U.S.-Japanese summit meeting last month in which Premier Zenko Suzuki promised his country would make "even greater efforts for improving its defense capabilities."

His pledge was hailed by the Reagan administration as a new and important Japanese commitment. However, a few days after his meeting with Mr. Reagan in Washington, Mr. Suzuki stressed in Tokyo that he had made no new military commitments to the United States.

If the 7.5-percent increase estimate proves correct — and it could be reduced even more this year — it would appear that the defense agency would find it difficult to make any significant expansion.

The Reagan administration's first reaction will come next week at working-level meetings in Hawaii, where U.S. and Japanese officials will discuss their common defense plans.

Unlike Pentagon officials in the Carter administration, Reagan aides have shied away from using percentage guidelines to judge Japan's military contribution, although they have made it clear they want a bigger role from the Japanese in patrolling the North Pacific.

The new policy in Washington is to stress the character, not the numbers, of Japan's military contribution, hoping that it would concentrate more on air and sea defense in the Pacific and less on ground forces to defend the home land.

The fact that any financial limit was set was a setback for Japanese defense officials who had wanted to push for a more expansive role. They had contended that fixing a ceiling now would sharply restrict the military budget even before the Hawaii meetings begin.

Japan now spends only 0.91 percent of its gross national product on defense, far less than the United States and European countries.

If the 7.5-percent ceiling is held to, that proportion would remain about the same or even decline, depending on the size of Japan's GNP next year.

It is generally believed in Japan that the events of the past month have reduced the influence of those pushing for significantly bigger military budgets. Under public pressure, Mr. Suzuki was forced to retreat from the generalized promises made during the summit meeting with Mr. Reagan.

The government also is under fiscal pressure to trim spending to reduce its dependence on deficit financing.

Defense and a few other agencies were exempted from a general rule holding growth in government spending to near zero in the coming year. Expenditures across the board will rise only 1.9 percent under the Cabinet formula adopted Friday. In those circumstances, an increase in military spending of even 7.5 percent would be certain to draw strong opposition.

Source: Associated Press

ATHENS — Greece's foreign minister, Constantine Mitsotakis, said Friday that negotiations on the future of U.S. bases in Greece have reached a "final critical stage."

But both the minister and the U.S. Embassy here denied reports that the negotiations, to rework an agreement originally signed in 1953, had broken down.

Mr. Mitsotakis said it was still possible for the economic and military aid accord to be signed before parliament recessed in one month's time. He said it was "quite unacceptable for the present status of the bases to be continued," but added that negotiations were continuing in good will.

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Another point of disagreement is said to be the Greek demand for a mechanism to allow it to abrogate the agreement if the United States used the bases for purposes detrimental to Athens' interests. Several other issues have been resolved, including formulas to maintain the balance of power between Greece and Turkey.

Source: Associated Press

WASHINGTON — The Energy Department told Congress earlier this week that it has taken a new step toward building neutron weapons, the new generation of short-range, nuclear warheads and artillery shells that has caused a political uproar in the North Atlantic Treaty Organization for four years.

The department was acting in response to a little-noticed section of the nuclear weapons authorization bill, according to congressional sources, and not in response to a specific presidential decision to go ahead with the controversial enhanced-radiation weapons.

President Jimmy Carter deferred production of the new weapons in 1978, choosing instead to build low-yield nuclear versions plus the components that could be inserted

into them to make them neutron. A basic ingredient in the components was to be the radioactive material tritium.

The Carter administration then decided last year not to allocate the tritium to complete the components because tritium, used in making hydrogen bombs, was needed for larger nuclear weapons.

Last Monday, the Department of Energy told the House Armed Services Committee that production has begun on a new Lance missile nuclear warhead, which was to be the first neutron weapon produced, and that tritium needed for insertion components had been allocated to the weapons program.

The committee, according to Capitol Hill sources, was also informed that initial production of the new 8-inch nuclear artillery shell, planned as the second neutron weapon, and its components and necessary allocation of nuclear material would begin next month.

The Energy Department, according to congressional sources, is only obeying the law," a reference to the section of the law passed Dec. 17 after President Reagan was elected. In that section, Congress directed the energy secretary to build all of the parts for neutron weapons and set aside necessary nuclear materials.

No Final Decision

A top Pentagon official said that the Energy Department acted even though the White House has not made a final decision on whether it will mate the two portions of the weapon or keep them separate. A review is under way and will weigh the international implications of any action.

The Reagan administration has had problems with NATO allies over neutron weapons. Last January Defense Secretary Caspar W. Weinberger said he favored production and deployment to Europe of the weapons.

Secretary of State Alexander M. Haig Jr. later informed the allies that Mr. Weinberger's statement did not represent administration policy and that no action would be taken on the neutron weapons until there had been thorough consultation among the alliance members.

South Africa has launched repeated raids against SWAPO bases in Angola.

INSIDE

Setback for Reagan on Lefever

In a preliminary defeat for President Reagan, the Senate Foreign Relations Committee rejected his nomination of Ernest W. Lefever as human rights chief. The nomination now goes to the floor of the Senate. Page 3.

Paris Air Show

The 34th International Paris Air and Space Salon has just opened at Le Bourget airport, with a display of the latest in aerospace equipment. The second and final part of a special supplement on a variety of aerospace topics. Pages 9S-15S.

Questions on the World Economy

Is the world economy moving toward the brink of collapse? What are the fears and dangers, real and false? An analysis. Page 18.

MONDAY

America, the Educator

Around the globe, from Africa to the Middle East to the Orient, dozens of Third World countries are coming to the same conclusion: survival, whether a country is rich or poor, demands know-how, and the result has been an educational gold rush to the United States of astounding proportions. Monday, in the IHT, an examination of the phenomenon that has contributed to a doubling of the number of foreign students in the United States in the last 10 years.

U.S. Studies Role of Arms in Relations With China

By Leslie H. Gelb
New York Times Service

WASHINGTON — In preparing for the visit of Secretary of State Alexander M. Haig Jr. to China from June 14 to 17, the Reagan administration is moving toward decisions that will give more of a military cast to the trip.

Specifically, according to U.S. officials, there is strong pressure to remove China from the list of Communist countries subject to special export controls. This would make possible the transfer of military technology such as the engine and electrical equipment from the new F-16 fighter plane and allow the sale of TOW anti-tank missiles.

Lobbying Activated

A number of officials see this as a way of forging a common anti-Soviet front, but some also see the prospective offer as an effort to induce Peking to accept the sale of new fighter planes to Taiwan.

It is the prospect of this sale to Taiwan and the concern that "Taiwan not be al-

lowed to get in the way of the Chinese-American strategic consensus against Moscow," as a Chinese diplomat put it, that has activated Chinese lobbying.

Ambassador Chai Zemin held two dinners last week for Reagan aides and State Department officials. While circumlocution in these talks, the Chinese said they were concerned that the pro-Taiwan group in the Republican Party would succeed in turning the clock back in the relationship and that selling the F-16 fighter to Taiwan would damage relations most of all.

In interviews, U.S. officials have discussed these elements:

• Government experts are still reacting to a remark by a visiting Chinese military delegation last year that China wants the kind of security relationship with the United States that Egypt has. In the absence of a more specific Chinese explanation, the Americans have taken this to mean the desire for military credits and the F-16 plane. The Chinese have long held the public position that they do not want an explicit security relationship with any country.

• Pentagon officers, reversing their judg-

ment, have concluded that Taiwan does not need the advanced F-16 fighter, which is still on the drawing boards. The officers have come around to the view that China does not pose a major threat to Taiwan and that China is more important to the United States than Taiwan. But the officials do not want to make this judgment public for fear of a fight with conservatives.

• Chinese diplomats are stressing their policy of seeking an "evolutionary" reunification, which they say would leave Taiwan "autonomous" with its own government, armed forces and economy and possibly give its ruling Nationalist Party a role in Peking.

Weapons List

There is virtually total agreement in the government that China should not be treated the same way as the Soviet Union. A typical statement from the State Department was: "It is nonsense to treat China like an unfriendly state like Russia and be prepared, in principle, to sell anything to a state like India which buys arms from and has a friendship treaty with Moscow."

A related decision is what to do about China's standing on the munitions control list, or list of actual weapons, which is administered by the State Department. As of now, China is restricted to nonlethal equipment such as trucks and radios.

If the United States were to go ahead and sell arms and transfer the technology to build weapons, the most likely candidate would seem to be the anti-tank missile. The Chinese prefer buying the technology and producing the weapons more cheaply themselves. But in the case of the anti-tank missiles, they have told the United States that they need them now and that it would take too long to produce their own.

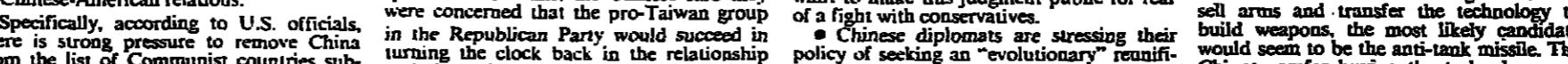
In the meantime, the Chinese have made it clear they want the Haig visit to be a success and that they regard him as the one in the administration who best understands their situation. Administration officials say the Chinese have been the ones pushing for the visit, urging that it take place soon and saying that unless policies are satisfactorily clarified soon, there could be retrogression in the relationship.

Reflecting this caution, a State Department spokesman said Thursday that for the past two months there had been "a period of relative calm" in Poland. He said that "despite propaganda from the Soviet Union, Czechoslovakia, and East Germany that seeks to create an opposite impression, the Polish people continue to work together in peace and dignity to solve their problems."

"We remain confident that they can succeed," he said. "We will avoid any words or actions that might complicate their efforts, and urge others to do likewise."

Javits Will Advise Haig

WASHINGTON — Jacob K. Javits, 77, the Republican who served four terms as U.S. senator from New York, has been appointed a foreign-policy adviser to Secretary of State Alexander M. Haig Jr., the State Department has announced.



ARMED CORDON — South African troops surrounded an area of the township of Westbury, near Johannesburg, while the police conducted a house-to-house search Friday. Story, Page 2

Source: Associated Press

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President Jimmy Carter deferred

Mitterrand's Coattails Reach Even to Bourgeois Burgundy as France Nears New Vote

By Jonathan Kandell
International Herald Tribune

DIJON, France — A journey through Burgundy is a trek across prosperous France. No need to consult the statistics to sense that Dijon and its countryside have been spared much of the unemployment and sluggish growth afflicting the nation. The well-tended vineyards and farms slope gently into the horizon. A canopy of small and medium-size industries ensures that only a deep recession would trip up the region's balanced economy.

Yet Dijon, this bastion of bourgeois conservatism, gave a majority of its votes to François Mitterrand, a Socialist, who unseated the center-right incumbent, Valéry Giscard d'Estaing, in the presidential elections last month.

"Dijon, a leftist city? Ah, no. No, no, no!" asserted Maurice Leclerc, an editor of the local newspaper, *Dépêches*, with stubborn conviction. "One must not confuse the votes for Mitterrand and the votes against Giscard."

Walesa, in ILO Talk, Issues Stern Warning

New York Times Service

GENEVA — Lech Walesa, the head of Poland's independent trade union Solidarity, warned Friday at an international conference of nearly 2,000 government and labor leaders against any foreign interference in the social and political transformation that he said the labor movement has triggered in his country. The Soviet delegation at the assembly of the International Labor Organization sat in frozen silence while Mr. Walesa was given an ovation following his address. The cheering crowd stood and continued to applaud and reach out to shake Mr. Walesa's hand as he walked back to the Polish delegation bench, where the Polish labor minister, Janusz Oborski, warmly congratulated him.

"I wish to declare from this international platform to all the people and all the countries of the world that the Poles are capable of settling their internal affairs among themselves and by themselves," Mr. Walesa said in his address. "It is in the general interest that there be no foreign attempt to interfere in the process of consolidation of Polish society."

By resorting to labor's traditional weapons of strikes and demonstrations, Solidarity started a movement for change that touched all sectors of Polish life, the Polish worker delegate said. "We realize that we are only at the beginning of these changes," he added, "but no one in Poland doubts that there can be no return to the old methods of governing the country and managing its economy."

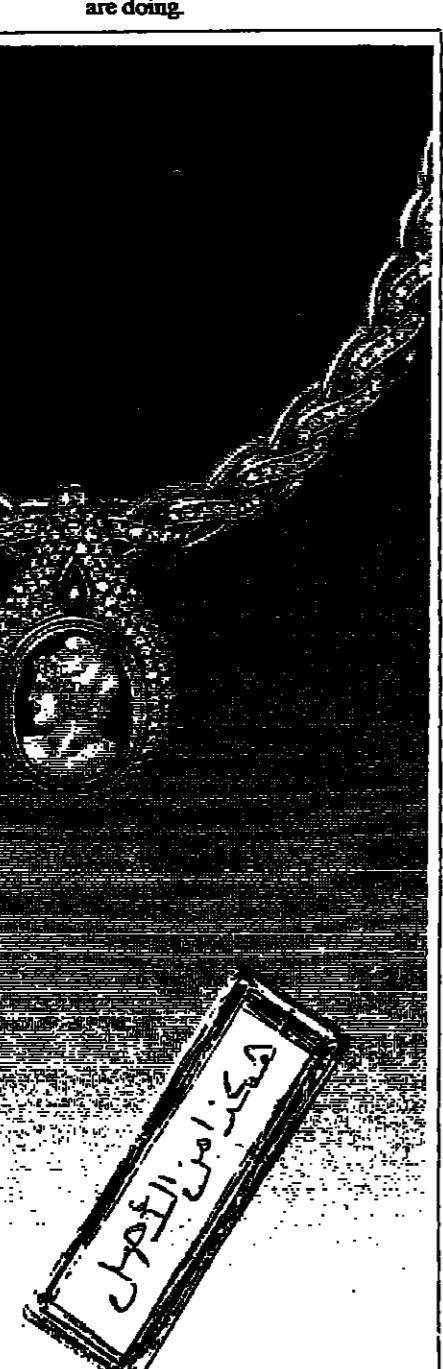
After placing the blame for Poland's present economic difficulties on irresponsible government policies, Mr. Walesa said that Solidarity would cooperate in all "rational" efforts to overcome the crisis. Solidarity affiliates have been asked not to seek wage increases or launch strikes without first obtaining the approval of union leaders, he emphasized.

Mr. Walesa made no reference to the two-hour warning strike that Solidarity approved in his absence for next Thursday in four northern provinces to protest official delay against those responsible for police interference at a union meeting. In a talk with reporters he indicated hopes that the strike can be averted as the result of talks with the close allies of the United States.

Without being specific, Mr. Haig said, "I must say we were very, very pleased with these initial discussions, which will continue."

Before Mr. Walesa left the platform, the conference president, Senegal Labor Minister Alioune Diagne, told him that the "religious silence" in the hall during his speech and the applause that followed was proof that the whole world is following with interest what he and the Solidarity union are doing.

Cosmos-1275 Launched
United Press International
MOSCOW — The Soviet Union announced on Friday the launching of *Cosmos-1275*, an unmanned space-exploration satellite.



Bundestag Passes Budget As Coalition Strain Shows

Reuters

BONN — Chancellor Helmut Schmidt of West Germany gained parliamentary approval Friday for the 1981 federal budget after a four-day debate that showed up potentially dangerous rifts in his left-liberal coalition.

As expected, the Bundestag (lower house) passed this year's 231-billion-mark (\$95-billion) spending plan by a comfortable margin of 269-220.

Rumblings of dissent on increased military spending from left-wingers in Mr. Schmidt's Social Democratic Party disappeared in mid-debate. Only three government deputies abstained from voting on a military budget of about 42 billion marks.

Instead, controversy centered on how the government should close a widening budget deficit that will require at least 34 billion marks in fresh credits this year, a record, and possibly more in 1982.

The liberal Free Democrats, the junior coalition partners, saw the

Indirect Taxes Rise in Belgium

The Associated Press

BRUSSELS — The government said Friday it would increase indirect taxes and levy new ones to compensate for 30 billion Belgian francs (\$769 million) in fiscal relief for industry that is aimed at boosting the economy.

The actions include raising the value-added tax by one percentage point to 17 percent; doubling the luxury tax on jewelry, furs, perfumes and hunting arms to 10 percent; and levying a new 10-percent tax on yachts and large cars and one of 5 percent on television sets and stereo equipment.

Increases in the prices of several petroleum products, including gasoline, were also announced. The government expects the new fiscal measures to be implemented by July 1. They will cause an increase of 0.75 percent in the price index, a spokesman said.

Addressing a congress of the Free German Youth organization in East Berlin, the party chief said that the 572 Cruise and Pershing-2 missiles that are to be installed by 1983 would "inevitably direct a retaliatory strike against Western Europe, and that means nothing more than suicide."

Honecker Attacks Missiles

BERLIN (Reuters) — Erich Honecker, the East German leader, said Friday that the deployment of new U.S. medium-range missiles in Western Europe would be suicidal and appealed directly to the Bonn government to drop its support for the weapons.

Because of that provision, critics charge the law is intended to keep out nonwhite immigrants from Commonwealth nations.

The bill outlines categories for the 3 million residents in Britain's few remaining colonies and for British citizens overseas who chose citizenship when former colonies gained independence.

Roy Hattersley, the Labor Party spokesman for domestic affairs, said his party would change the Nationality Bill if it defeated the Conservative government of Prime Minister Margaret Thatcher in the next general election.

"We will repeal this bill," he said, "a measure that accepts that Britain is a multiracial society, with a bill that respects the rights and feelings of the ethnic minorities," he said.

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Reagan Challenges House Democrats Over Tax-Cut Plan

By Lee Lezotte
Washington Post Service

WASHINGTON. — President Reagan has challenged the House Democratic leadership to a head-to-head test of strength over his tax-cut proposal.

He did this with his budget-cutting proposals. Mr. Reagan has decided to push his plan for a 5-percent cut on Oct. 1, and 10-percent cuts on July 1, 1982, and July 1, 1983. He hopes to enlist the aid of conservative Democrats.

"If we don't have the votes, we'll beat them," Mr. Reagan told reporters. Until Thursday, Mr. Reagan had not personally entered the battle for his tax cut, but during the budget debate he proved very effective. On Thursday, he described legislators supporting him as part of a new bipartisan coalition.

After more than two weeks of negotiations with House Democrats, Mr. Reagan remained firm on two main issues in dispute: a third-year cut and the shape of the tax relief that would go to those with moderate and low incomes. Democrats had proposed a two-year cut — 5 percent this year and 10 percent next year — and wanted



President Reagan chatting with Treasury Secretary Donald T. Regan after announcing bipartisan support for their tax plan.

that President Reagan had made the centerpiece of his campaign, but the secretary added that it would have generally the same effect.

In addition to the three-year cuts, the president's plan includes:

- Faster tax write-offs for business investment in plants and equipment, but with a cap so that no business would get an outright subsidy for its investment.
- A partial easing of the mar-

riage penalty under which some two-income married couples pay more tax than they would if filing single returns. In the first year, 5 percent of the income of the spouse earning less would be excluded up to \$1,500. In the second year, this exclusion would be doubled.

- A major change in death taxes that would permit a surviving spouse to inherit an unlimited amount without paying tax and would exempt estates under \$600,000 from all taxes.
- A year's extension of the present exclusion of the first \$200 of income from interest and dividends for an individual or \$400 for a couple.

The total cost of the provisions for individuals other than the rate cuts would be \$3 billion in the first year, \$10 billion in the second year and \$15 billion in 1984. Secretary Regan said the administration still favors a balanced 1984 budget.

The president said that Rep. Barber B. Conable Jr. of New York, the senior Republican on the Ways and Means Committee, and Rep. Kent R. Hance, a conservative Texas Democrat and a member of Ways and Means, would introduce the administration bill.

Rep. Hance and others who belong to the Conservative Democratic Forum are crucial to the outcome of the tax battle. On the budget, most of the 47 forum members supported the president. The forum's chairman, Rep. Charles W. Stenholm of Texas, said Thursday that his group was split and only 15 to 20 of them were firmly behind the president on taxes.

"We don't think we're going to win by anything like the margin on the budget [253-176]," said James A. Baker 3d, the White House chief of staff. He made clear that the administration, if blocked in the House, could exert pressure through the Republican Senate, and that a Senate-passed bill could still be brought to a Senate-House conference.

With minimal debate, the committee approved a revision that will cut the conference in half and have its delegates chosen by state and national party committees rather than elected at the grass roots.

Critics of the change, including representatives of the National Education Association, argued that it was a step away from the participatory politics mandated since 1968. Many critics see it as a precedent for a similar move to restrict open participation in the 1984 nominating convention.

Because of the tensions, Charles Manatt, the party chairman, decided to delay naming the members of the commission under the chairmanship of Gov. Jim Hunt of North Carolina that will examine procedures for the 1984 convention. More than 100 people have been asked to be on the commission. It will probably be kept to half that size, but balancing its makeup poses a challenge to the new party chairman.

Mr. Manatt was expected to announce that he has picked former Rep. Yvonne Brathwaite Burke of California to head a commission on platform accountability mandated at the last convention. That is also a politically sensitive post, since the commission is supposed to report to the party on how well elected Democrats worked to fulfill the platform's pledges.

Mr. Manatt has rejected any suggestion that the party will attempt to discipline House members who supported the Reagan budget. In giving the chairmanship to Mrs. Burke, who is black, he made a gesture to blacks and women and still picked someone with close links to congressional Democrats. Serving as co-chairmen will be Terry Hendon, executive director of the National Education Association, and Gov. William Winter of Mississippi.

Democrats Call Administration Tax Bill Welfare for Wealthy, Promote Own Plan

Tax Bill Would Aid Americans Abroad

The Associated Press

WASHINGTON. — President Reagan's latest revision of his proposed tax cut contains a provision that would reduce personal income taxes for Americans working abroad.

If the bill is passed as outlined Thursday by the White House, Americans working overseas could exclude the first \$50,000 of their foreign earnings plus 50 percent of the next \$50,000 as of Jan. 1, 1982. Currently, Americans living abroad can deduct some of their living expenses and are entitled to a credit for any taxes they pay to a foreign government.

But the debate that preceded the unanimous approval of the resolution also displayed the Democratic leaders' frustration with those House Democrats whose votes gave Mr. Reagan his victory on the budget and could do so again on taxes.

Noting that the president cannot get his program through Congress without the cooperation of Democrats, Mayor Richard Hatcher of Gary, Ind., said: "It is time to say that we are watching very carefully and we will not forget those who choose to abandon the principles of the Democratic Party."

The resolution endorsed the alternative two-year, 15-percent tax-cut package proposed by the House Ways and Means Committee chairman, Rep. Dan Rostenkowski, Democrat of Illinois. The committee also condemned Mr. Reagan's proposed reductions in Social Security bene-

fits and the administration's decision to sell sophisticated weapons to Saudi Arabia.

While the executive committee was deciding itself on those policy questions, it also cleared away the last procedural preliminaries to a decision to shrink the size and tighten the membership qualifications for the 1982 midterm party conference. With minimal debate, the committee approved a revision that will cut the conference in half and have its delegates chosen by state and national party committees rather than elected at the grass roots.

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Senate Committee Votes Against Lefever

By John M. Goshko
Washington Post Service

WASHINGTON. — The Senate Foreign Relations Committee squelched President Reagan's appeals Friday and voted 13-4 against his nomination of Ernest W. Lefever to be the chief U.S. spokesman on human rights issues.

The vote, which marked the first instance of a Senate committee voting against confirmation of one of Mr. Reagan's nominees, opened the way for a potentially bruising fight on the Senate floor next week. The White House has vowed to make its drive to overturn the committee's action a test of its strength in the Republican-controlled Senate.

Although committee Democrats insisted that they did not intend to complicate the process by staging a filibuster, the vote by the full Senate is expected to be very close. Sen. Howard H. Baker Jr. of Tennessee, the Senate Republican leader, has said that he believes the votes necessary to confirm Mr. Lefever can be mustered, but Senate Republicans both sides insisted there were now too many undecideds to predict the outcome.

In Friday's voting, five of the committee's nine Republicans, including its chairman, Sen. Charles



Ernest W. Lefever

H. Percy of Illinois, joined the eight Democrats in opposing Mr. Lefever's appointment as assistant secretary of state for human rights.

Softer Line

Sen. Percy, who earlier had urged Mr. Reagan to withdraw the nomination, criticized Mr. Lefever's advocacy of taking a softer line in dealing with rightist dicta-

tions friendly to the United States than with "totalitarian" Communist regimes.

"We cannot credibly stand up in the world as the defenders of freedom and democracy if we condone the violation of basic human rights and fail to speak out when serious violations occur," Sen. Percy said. He said Mr. Lefever's confirmation "would be an unfortunate symbol and signal to the rest of the world."

Then, in a pointed reference to the bipartisan nature of the vote, Sen. Percy added: "I think our country is stronger today because of the vote here. Not only because of the vote itself, but because a majority of members of the majority party decided, despite enormous pressure, to take a stand for human rights. They have served this country's ideals well; and I suggest, in the long term, what they did will have served this administration well too."

The Republicans who joined Sen. Percy in voting against Mr. Lefever were Sens. Charles McMathias Jr. of Maryland, Nancy L. Kassebaum of Kansas, Rudy Boschwitz of Minnesota and Larry Boswell of South Dakota. Some said they had received last-minute calls from Mr. Reagan urging them to support Mr. Lefever.

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nally had intended to vote for him.

But, she added, the emotional and acrimonious nature of the confirmation hearings had convinced her that Mr. Lefever had "lost the ability to function credibly in the post."

The reluctance of so many committee Republicans to go along with the president's appeals underscored the difficulty the White House faces in getting the full Senate to reverse Friday's action.

The White House chief of staff, James Baker 3d, and the deputy press spokesman, Larry Speakes, reiterated Friday that Mr. Reagan intended to stand behind the nomination.

But there was a lukewarm tone to the administration's professions of support. Despite repeated prodding by reporters, Mr. Speakes refused to say whether the White House was disappointed by the committee vote or whether it believed it would win a floor fight.

Mr. Lefever's nomination drew heavy opposition from the day of its announcement because of his reputation as a hard-line anti-Communist and his calls for replacing former President Jimmy Carter's outspoken human-rights policy with a "quiet diplomacy" approach.

He subsequently became a lightning rod for additional controversy because of suggestions by his brothers that he believes blacks are genetically inferior — a charge he denies — and questions about possible conflict of interest in the fund-raising activities of the Ethics and Public Policy Center, a private research organization that he heads.

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Marked-Down Oil

The Saudis' oil strategy is working. That is the meaning of the highly interesting turn downward this week in crude oil prices. For the past two years, Saudi Arabia has been determined to re-establish a unified OPEC price schedule based on its oil. The Saudis have steadily maintained a high rate of production, undercutting the high flyers — from Libya to the Rocky Mountains — who were charging walloping premiums. Slowly, implausibly, the Saudis are asserting their power to flood the markets and force prices down to their level.

But no one can say how long this campaign will continue, or how low prices will go. The Saudis have repeatedly suggested that, having achieved OPEC price unity on their terms, they will initiate a policy of gradual but continual increases to compensate the sellers of oil for inflation and a little more. Perhaps oil will get slightly less expensive for a while. But it wouldn't be wise to count on that to last.

The Saudi strategy was working last summer, and prices were sinking, until September, when the war broke out between Iran and Iraq. Prices then jerked upward in response to the abrupt cut in supplies. But the Saudis kept going, patiently, and now prices are coming down again.

The Saudis are using the oil weapon — this time against the other producers rather than the consumers. Their strategy is clearly increasing tension within OPEC. However suc-

cessful abroad, it also appears to be sharpening dissent within the kingdom — among Arab nationalists who press for solidarity with other producers, among religious conservatives who resist the erosion of tradition by the inundation of foreign money, among technocrats who deplore the waste in the present surge of wealth. The dissent has not yet been sufficient to deflect the oil policy from its course, but the government cannot afford to ignore these forces indefinitely.

Saudi Arabia's production for nearly two years has been in the range of 10.3 million barrels a day — which is to say, one-sixth of the entire world's oil production and more than that of any other country except the Soviet Union. It is five times the production of the countries that are now the next-largest producers in OPEC, Venezuela and Nigeria. The Saudis have said many times that they want to return to a production ceiling of 8.5 million barrels a day.

For Americans, the crucial lesson here is that the world supply of oil depends on all sorts of unpredictable events — wars, revolutions and Saudi policy decisions. World prices are now sinking because of high Saudi production, but also because of falling consumption in the industrial world. By using less oil, Americans have made an important contribution to this decline, and, if they want to keep the trend going, they will keep finding more ways of using less oil.

THE WASHINGTON POST

The Crime of Scientific Zeal

The reprimand by the National Institutes of Health of a California scientist who performed improper gene-splicing experiments has broad symbolic importance. More is at stake here than the misconduct of Dr. Martin Cline of the University of California at Los Angeles — apparently the first scientist to insert controversial "recombinant DNA" molecules into humans.

Few fields of research excite so much public interest and apprehension. When first discovered, the splicing of genes from different organisms into new recombinant genes led many scientists to fear the inadvertent production of new organisms, even monsters capable of causing devastating epidemics, or disrupting human evolution. Federal guidelines were written to regulate the research.

Most scientists have since concluded that the risks are slight and the potential benefits — in medicine, agriculture and industry — enormous. But they respect the public's concern and discipline themselves accordingly.

Dr. Cline's experiments violated this restraint. His goal was laudable: to treat painful, incurable and often fatal blood diseases, like beta-thalassemia and sickle cell anemia. They are caused by genetic defects that might be repaired by introducing normal genes into the patient's bone marrow cells.

THE NEW YORK TIMES

The Abortion Conflict

It is getting so you need a scorecard to keep up with what Congress is doing every day about abortion. Kicking around in committee are (1) proposed constitutional amendments to bar it, (2) a set of bills intended to strip the Supreme Court of jurisdiction over cases involving it and (3) yet another bill to define "life" in a way designed to eliminate abortion. Meanwhile, there are the riders that get attached to appropriation bills to stop the expenditure of federal funds on abortion procedures.

The latest of these riders appeared again Tuesday in a conference committee. The committee voted to accept a rider that prohibits the use of Medicaid funds for abortions except when the life of the pregnant woman is at stake. But then the committee rejected, at least for the moment, a second rider that would have prevented the health insurance programs of government employees from paying for any abortions.

These are pretty mean-minded and discriminatory riders. The one rejected by the committee (having previously passed the

House, 242-155) would have put government employees in a class by themselves; it would have excluded them by law from benefits of a kind routinely offered by the health plans of most other employers. The one accepted by the committee is even worse; it says that women who receive Medicaid (and thus, by definition, are too poor to buy medical care for themselves) cannot have abortions even if they become pregnant as a result of rape or incest.

Substantive legislation of this kind doesn't belong on appropriations bills, as Sen. Hatfield pointed out when the conferees took up the government employees rider. If Congress is going to do this kind of thing to labor-management relations or to the benefits of Medicaid recipients, it should do so directly through specific bills addressed to those subjects. The issues raised in the abortion debate are so fundamental and so controversial that they deserve more serious treatment than being tacked onto a government-funding bill.

THE WASHINGTON POST

Other U.S. Opinion

The Missing GIs

There are 2,528 American military personnel still listed as missing in Southeast Asia. Secretary of Defense Caspar Weinberger has let it be known ... the Defense Department will continue to check regularly and with great care all reports of Americans held prisoner in Southeast Asia.

From time to time, rumors circulate ... some American military men listed as missing are alive and in prison camps in Vietnam or Laos. "Should any such report prove true, the Department of Defense can be expected

to take appropriate action," Weinberger declared.

If Americans are still being held prisoner, with families suffering the agonizing uncertainty of whether the missing are dead or alive, it is worse than barbaric treatment by their captors. Such, however, would be completely in keeping with accounts of those Americans who were freed after 1975, how they were tortured and mistreated. Certainly, the barest hint that any of those 2,528 Americans are alive must be investigated thoroughly. They must not be forgotten.

— From the *Wheeling (W.Va.) Intelligencer*.

In the International Edition

Seventy-Five Years Ago

June 6, 1906

PARIS — Today's editorial in the Herald reads: "Protests have been sounded regarding the danger due to reckless automobile driving in the Champs-Elysées. An Old Subscriber" today asserts that furious fools on bicycles hold human life as cheaply as the chauffeurs. He testifies that his wife has great difficulty in avoiding their capricious capers, not only in the Champ-Elysées but in the Bois de Boulogne. This is the first time for almost a decade that the cyclist, regarded 10 years ago by the pedestrian public as a murderous bandit, has received any notice at all. In the interim he has been lost to sight because of the preponderance of the automobile as an agent of destruction."

Fifty Years Ago

June 6, 1931

LONDON — Chancellor Brüning of Germany, frankly admitted on his arrival this evening in London that during his stay at Chequers he intended to solicit British aid for the Reich in its economic and industrial difficulties. He avoided any suggestion of a specific Anglo-German understanding, declaring that no solution of Germany's problems is possible save by cooperation on a worldwide scale. Recalling that four times within the past 14 months efforts have been made to increase taxes or decrease government expenses in Germany, Dr. Brüning said that even the decrease in reparation payments effected by substitution of the Young for the Dawes plan had left his country with an impossible burden.



The genes might be pure or in a recombinant form with other genes — maybe those of a virus, which increase the chances of success but also the risk.

A university review committee stopped Dr. Cline from using pure genes until he had performed more animal tests. In Israel, however, a similar committee agreed to human tests. But at the last minute, without telling anyone, Dr. Cline used recombinant genes, about which the Israelis had expressed particular concern. He then moved on to Italy and inserted recombinant genes in a second patient, apparently satisfying less exacting standards there.

No one was hurt, but there is no evidence that the patients were significantly helped or that science was advanced. Dr. Cline has been forced to resign a university division chairmanship, and the National Institutes of Health will henceforth show the most exacting care in monitoring his work.

He was rightly punished. And the public should feel reassured. If scientists expect to keep pursuing their studies without undue political interference, they can keep only one eye on the microscope. The other should look around. The freedom of science is inseparable from the public trust in science.

THE NEW YORK TIMES

The Mainichi failed to make clear that this comment had been made in passing in a broad background type of interview, given before the outburst over the word "alliance" and when everything seemed tranquil in Japanese-American relations. Nor did the paper or other news media that took up the cry make it clear that this so-called revelation had been made often before, had been argued over by the Japanese public and then been dropped as a matter of common sense.

Retired Rear Adm. Gene La Rocque had specifically stated in 1974 that American ships did not off-load nuclear weapons before

Close on the heels of this event, a second blowup occurred when the Mainichi, a leading Japanese newspaper, published as sensational as possible a statement by me that the American understanding of the agreement that there would be no "introduction into Japan" of nuclear weapons without prior consultation with the Japanese government did not include American ships making port calls or in transit through Japanese waters.

(This is the first of two articles.)

WASHINGTON — We have become accustomed to seeing Japan as the best-organized, smoothest-functioning industrial machine in the world, with a law-abiding, contented and affluent people, and an extraordinarily stable democratic political system.

That there is more to the picture has become all too clear in the past few weeks.

Some of the sensitivities and instabilities of the early postwar years still remain. This was first shown in the political uproar over the use of the word "alliance" in a communiqué issued at the time of Premier Zenko Suzuki's visit to Washington in early May. Bowing to the clamor, the foreign minister resigned as a sacrificial lamb.

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In the 1950s and early 1960s, the disasters of the war and the atomic bombing of Hiroshima and Nagasaki were still so salient in Japanese minds that great circumspection was necessary in dealing with matters concerning a military alliance or nuclear weapons. It was natural in 1960 to have the agreement binding America and Japan together called the "Treaty of Mutual Security and Cooperation" and to handle the problem of nuclear weapons on American ships by simply avoiding mention of the subject.

But in 1981, when Japanese and Americans engage in joint military maneuvers and the two countries rely heavily on each other, it is unhealthy and even dangerous for one side to shy away from the word "alliance" and for the American government and the Japanese public to have significantly different understandings of the word "introduction" with reference to nuclear weapons.

It may have seemed convenient to the Japanese government to

entering Japanese waters, and I had myself described the situation with reference to the La Rocque statement in speeches and in a recent book.

That such a frenzy of political excitement should rise in Japan at this late day over two self-evident facts has naturally surprised Americans and most other people.

1960 Treaty

I myself have preferred the word "partnership" to describe the extremely broad and mutually necessary relationship that has grown up between Japan and the United States, but no one could deny that a defense alliance has been part of this partnership for almost 30 years. And it is obviously impossible for American ships, which constitute a large part of the defense of Japan, to change their armaments each time they enter Japanese waters.

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bridge the gap by adhering to the old double formula in which the American side neither affirmed nor denied the presence of nuclear weapons anywhere and the Japanese simply said that they trusted the United States. But insofar as these two statements covered over a deception, they are unworthy of the sort of relationship that has developed between Japan and the United States, and impair the growth of full trust between them.

Edwin O. Reischauer, a professor at Harvard University, was U.S. ambassador to Japan from 1961 to 1966. He wrote this article for The Washington Post.

Letters

More Oxygen

An article appeared in the IHT last month relating that airlines could lower their operating costs by lowering oxygen content in the cabins. This is not surprising when one reflects upon what a choking, irritating and gagging experience flying has become for nonsmokers. There probably isn't much one can do about the situation except try to find out if among the airlines there are not some who offer more oxygen to the passengers than others. (Why not advertise more oxygen per passenger than less seats — you only get one seat anyway?)

Would Mrs. Frank Barrett of Traveler Magazine or David Kyd of the International Air Transport Association, who have both been in your columns recently, have a suggestion on this question, or possibly know where one might enquire?

S. ERNST.
Aix-en-Provence.

cently established nearby kibbutz. The villagers took their case to the Israeli Supreme Court in 1953, which ruled in their favor, but the Israeli authorities still refused to implement either their promise or the court's decision.

After lobbying for over 20 years, the villagers' case took on national proportions when in 1977, Menachem Begin, in his bid to win Arab votes for his party, declared that "an injustice has been done to the residents of Kafr Birim." In January, 1978, a special Cabinet committee set up by his government to look into the case decided that the villagers could not return.

It would be a more convincing proposition if the Israeli leaders were to deal with the injustice done to Christians living in Israel, and let the Lebanese deal with their own problems.

GHIAS EL-YAFI.

London.

Conflicts of Interest

The story in the Herald Tribune (May 12) reporting that the "giant aircraft and defense contractor," United Technologies Corp., paid Alexander M. Haig Jr. \$1.2 million in salary and stock options for his 13 months as president of the firm raises an interesting question.

Mr. Haig severed connection with the corporation when he became a Cabinet member. Thus, he could not be accused of conflict of interest. Yet isn't there a "conflict of foreign policy" in a secretary of state who profits heavily from the armament makers and their belligerent stand, along with that of President Reagan, rings alarm bells all around the globe?

HANK REYNOLDS.

Paris.

Jailed for 20 Months

Those indicted include Karel Kyndl, a journalist, who was found guilty of the same "crime" in 1972 and spent 20 months in jail; Jiri Hajek, a former foreign minister, and Ivan Havel, the brother of Vaclav Havel, the leading Czech playwright who last year was sentenced to 10 years of prison. All are human rights activists with ties to Charter 77 or to VONS (the Committee for the Defense of Persons Unjustly Accused).

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Arts Travel Leisure

Earthy and Eccentric — Wuppertal's Modern Dance

by David Galloway

WUPPERTAL, West Germany — In the 19th century a string of towns formed in the steep, narrow valley of the Wupper, which provided power for weaving mills whose quality became known throughout all of Europe.

As the towns fatten and the new patriots erected spacious hillside villas, they provided a textbook study of the triumphs and ills of the Industrial Revolution. The lessons were not lost on Friedrich Engels, who was born and grew up there. Beyond that famous native son, the city of Wuppertal has been principally known for the world's first suspended railway, inaugurated by Kaiser Wilhelm in 1901.

The railway still functions, and many of the mills continue their light manufacture, but the boom days had already passed when the city of Wuppertal was officially consolidated in 1929. Architecturally, the shrinking capital was a blessing; for instead of making way for high-rise concrete, many of the old villas and factories were preserved — making the city a living museum of bourgeois classicism.

Largely intact, as well, is the tradition of art patronage that flourished in the last century. For cognoscenti, Wuppertal has been cherished as the best-kept secret in Germany, but thanks to the revolutionary achievements of choreographer Pina Bausch, the secret is rapidly becoming public property. She and her stunningly versatile company are in residence at the Wuppertal Opera House, which nestles against the birthplace of that earlier revolutionary, Friedrich Engels.

Pina Bausch has been artistic director and resident choreographer of the Wuppertal Dance Theater since 1973 but, until recently, reports of her brilliant achievements traveled largely by word of mouth. Intropective, reserved and painfully shy of publicity, she has totally committed her energies to her work.

and a widening circle of devotees has responded with near-religious fervor to the results.

The dedicated ensemble she directs is an alphabet soup of nationalities, but most have one thing in common: They came to see a performance and were so electrified they immediately requested an audition.

Despite its ambitious repertoire schedule, the company performs with increasing frequency outside Wuppertal. It recently toured Israel; in June it offers seven works for the International Theater Week in Cologne; in July, it performs at the Teatro Malibran in Venice and then at the Avignon Festival. Australia and the United States are already on next year's calendar.

The growing celebrity of the company is all the more remarkable since it has moved so rapidly and radically from any conventional concept of dance. Three years ago the group dazzled the Edinburgh Festival, but to compare what they offered then with their latest works is like comparing the Ballets Russes with Pilobolus.

The earthiness of their "Rite of Spring" is first balletic, then literal. The dancers perform on a stage covered with damp earth that soils their costumes, streaks the men's bare chests.

In the concluding sacrificial dance, the dress worn by the mandarin victim is torn to shreds by her frantic movements. Yet for all its visual drama, the piece which premiered in 1975 now seems ancient history in the development of Pina Bausch's choreography.

Her more recent work has parallels in performance art, yet maintains a rich and distinctive theatricality. She has moved away from dance in order to come closer to its roots in ritual and courtship and celebration.

The rituals explored are typically banal: a man timidly asking a woman to dance, body-builders flexing their pectorals, a diva taking bows, a dandy smoothing his hair and his lapels, beauty-pageant contestants jostling to get the best leg forward. Even more commonplace metaphors grow from simple gestures of greet-

ing and farewell — stated and restated, elaborated and then repeated, like a visual embodiment of the prose of Gertrude Stein.

There is a rigorous reductionism here, in which the most casual motion can assume startling consequence. A woman lightly touches a man's arm, shyly seeking attention, and suddenly the gesture becomes erotic, then threatening, pleading, violent. Other women repeat the motions, singly or in unison, and the men may later follow suit in a kind of mirror image of the original scene. Such motifs provide a rich visual substructure to works that on the surface may seem random and capricious.

"1980," one of the pieces scheduled for Avignon, opens with a dancer flicking a cigarette lighter, singing "Happy birthday to me," then blowing out the flame. Much of what follows is based on children's games ("Catch me! Catch me!"), schoolroom recitations, childhood clichés and songs and traumas. There is even the inevitable nude baby photo on a bearskin rug. But the games can turn deadly, and the girl being tossed lightly from one man to the next is suddenly flung brutally into the waiting arms. There is immense comic brio in "1980," but beneath the surface lurks an agonizing fear of isolation and rejection.

The settings of recent works make allusions to dance halls, cafes, schoolrooms and bars, to places where people greet, make contact, seek an end to loneliness. When they find it, the very air seems strung with joy; when it is lost, the mood plunges toward pathos and despair.

The sets are rendered with the strictest economy, though they usually involve some dramatic interaction with the set itself. Frequently the stage is opened up to the firewall, then filled with grass or earth or dried leaves on which the elemental games are played.

"Arien" is performed in ankle-deep water, and the children's parties of "1980" take place on a lawn. During a rehearsal of "Bandoneon," a tango evening set in a wood-paneled hall dominated by photographs of prizefighters, stagehands began dismantling

the set in preparation for the regular evening performance. The action was maintained as part of the piece, and the second half plays on a bare stage that is now doubly alive with memories of a vanished world.

Such works make heavy demands on both the audience and the company. Speech has become increasingly important in the performances, with each dancer using his own native language, and often the remarks are clearly drawn from intense private experience. A voice commands the entire company to walk slowly toward the back of the stage, asking each in turn what he secretly fears. "Narrow spaces," says one, and "Things that crawl," confesses another. Or "Rats." "Blindness." "Loneliness." Finally comes the answer "Sickness and death." "Is that all?" the authoritarian voice demands. "It's enough," comes the faint reply.

These confessional moments underscore the creative process through which works evolve from the idiosyncrasies and skills of the individual performers. Pina Bausch minutely composes the results, but imposes on them no rigid preconception. She may ask to have a mood or habit illustrated, with whatever movement or song or words the performer chooses, and integrates the best into a new composition.

Not even music is allowed a predetermined role. In recent years the company has worked with tapes, and these are typically medleys that may fuse Dowland with Cole Porter.

"Bandoneon," the newest production, is performed to a soundtrack of scratchy tango records, and the action on stage freely interprets the passion, sentimentality and aggression of the originals.

To give such productions a feeling of theatrical unity demands rigorous ensemble work, and is hardly oriented to the star performer. Nonetheless, certain personalities emerge with particular authority, including that of the Czechoslovakian Jan Minarik. In "Bluebeard" he wheels a tape recorder about the stage,

playing fragments of the Bartok opera, reversing and playing them again, while his frantic wife enacts a dance of seduction and death.

Memory fills the leaf-strown stage, and both past and present are powerfully dominated by Minarik, as the tape inches toward murder. Meryl Tankard, formerly of the Australian National Ballet, is a comic actress whose infectious vulgarity can steal almost any scene in which she appears, but she can also project a delicate, vulnerable femininity that subtly irradiates the stage.

Some members of the company have worked with Pina Bausch since her days as soloist and then choreographer-director for the Folkwang Ballet Company. Born in Solingen in 1940, she studied at the famous Folkwang Ballet School in Essen before going to New York as a special student at Juilliard. Soon after her arrival in Wuppertal, she began producing dance-operas in which the singers became secondary to the dancers, and her first production of Stravinsky scandalized traditionalists by using a tape instead of musicians, so the stage could be extended over the orchestra pit.

That experiment led directly to the savagely powerful rendering of "Bluebeard" — While Listening to a Tape Recording of Bela Bartok's Opera Count Bluebeard's Castle," then to a "Macbeth" paraphrase entitled "He Takes Her by the Hand and Leads Her to the Castle, the Others Follow."

Increasingly, her work has concerned itself with how men and women perceive each other, and how an audience perceives the life pictured on the stage. "The human being is the model," she says, and with increasing simplification she probes the model's exorbitant multiplicities.

Wuppertal Dance Theater is now performing in Cologne at the June International Theater Festival. Between now and June 22, Pina Bausch is dancing eight completely different pieces in Cologne and, on July 8-9, will present a piece in Venice at Teatro Malibran. The company will also be at the Avignon Festival, July 15-26.



Scene in Pina Bausch's new "1980," to be presented at the Avignon Festival.

The Joy of a Private Garden in the City

by Xiane Gennaha

PARIS — A private garden — earth, water, scents — is an oasis in the city, a world in itself. Living in this privileged space makes you forget the pace of the city, the haste, the rush.

Here every hour is unique and precious. In the early morning, birds wake you long before the rumble of the city. You take breakfast in the crisp fresh air, visit each flower, each shrub. Will the clematis open up today? Do the lilacs need watering? You watch the camellia, growing fast after the early blooming, and the bamboo, which shoots in the air 3 inches a day.

Each flower seems the loveliest. The blue-

bells in their delicate skirts, the silky peonies, the iris protected by sword leaves.

As the sun slowly appears through the lime tree and heats a wall covered with fragrant honeysuckle, I pick roses for a vase, mint, rosemary, thyme for the kitchen and pull out a few weeds.

By now the garden is bathed in light, and Bibi, the black cat, rolls in the grass, his green eyes half-closed. What can be more exquisite than Sunday lunch in the shade of a tree, followed by a rest on a chaise-longue as you watch blackbirds, robins and titmice looking for crumbs, worms or bugs. Though deadly enemies, the cat shares the garden with the birds. Each establishes rules, territory.

On a summer day, the late afternoon is devoted to watering, one of the greatest pleasures of gardening. The water sinks into the earth and the smell of the scented and genista (broom) perfumes the air.

Far away in the west, behind skyscrapers, the sun sets and it becomes dark. The garden is peaceful, birds are still. Ephemeral catus petals fall silently. At night, when the wind moves the moonlit leaves, the garden is a mysterious island in the city. Nature is fully present in the smallest garden, childhood memories are alive in every tree. Gardens give pleasure and pride. They are the live secrets of Paris.

Private Paris gardens: An old woman peacefully reading tulips in full bloom, conservatory filled with orange trees.

Photo by Paul Morris

Three hours, slow-moving (his camera often lingers on one, unchanging shot for 10 minutes at a time) and obscure (treating political themes in complex allegorical terms) for the general public's taste.

"People always ask me why I make such difficult films," he said. "All I can say is that I don't know how to make them any other way. This is my language, and if it manages to communicate to some people, all the better. If not, I feel it's a shame, but that's all. The only thing I worry about is being able to keep on working. That's the real value of prizes — to help an artist continue his work."

A slight, balding, soft-spoken man who exudes a quiet energy, Anghelopoulos said he intends to keep on making films his own way,

despite the strongly political overtones of his films and his long stint as movie critic for a now defunct Communist daily. Anghelopoulos refuses to consider himself an *artur engel*. He does not belong to a political party and defines himself as "vaguely leftist... but more sentimentally than in actual fact."

Now 46, Anghelopoulos began making films 10 years ago. His first work was a musical comedy starring a Greek pop group, but because of a fight with the producer it was never completed. He then went on to make his epic cinematic trilogy ("Days of '36," "The Traveling Players" and "The Hunters"), which was a personal reflection on Greek history from 1936, the year he was born, to the present.

"Greece has gone through an incredible political experience in my lifetime," he explained. "Socialism was the big proposition of my century. Now we all look to see what remains of this proposition, if it has any future. It's a period of crisis, of revision of past beliefs."

He is uncomfortable with the Greece of today, which he believes has lost its identity. "I still feel very Greek, but I don't recognize this country any more," he said. "It's become one big plastic hotel for tourists, and not even a good hotel."

Unarmed but happily committed to his live-in companion, Anghelopoulos became a father for the first time last December. He says he is "reflecting" on a new film subject, but his plans are vague at the moment.

"I have the impression that there are no more dreams, and this has created an age of malaise. We're all waiting for something to happen, but we don't know what."

The end of "Megalexandros," he said, reflects this uncertainty. "The boy enters the city at night with a question mark. Like him we're waiting for the dawn to come. But when? And what color will this dawn have?"

Hurrying Through the Malaysian Jungle With the Hash House Harriers

by Kenneth L. Whiting

KUALA LUMPUR, Malaysia — The San Salvador chapter is no longer heard from and the one in Peking has been disappointing, but growing numbers of Hash House Harriers are running and drinking around the world.

The hash, as members call it, is distant cousin to a game from Victorian England in which a pack of "hounds" try to follow a trail of paper left by a "hare."

As adapted by a few British colonials in tropical Malaya in 1937, the beer at the end of the run became important — some say more important — than the run itself.

It's not likely to become an Olympic event, but the hash has grown rapidly in recent years. There are at least 221 chapters in 51 countries, compared to 100 groups in 25 countries in 1978, says John M.B. Duncan of the mother chapter in Kuala Lumpur, who reports that world membership is at least 20,000.

We haven't heard from the people in San Salvador for six or eight months. That's definite for sure," he says of the hash in strife-torn El Salvador.

In Peking, things apparently came to a stop after one or two runs. "It apparently was hard

to explain why they wanted to scatter paper around," says Duncan. "Crowds of the curious gathered and runners had to stop and describe what they were doing and shake hands before they could resume."

The founding chapter, one of five in the Kuala Lumpur area, has 120 members who pay monthly dues of \$6.52. They run after work each Monday, covering five to seven miles.

With only a million people, Kuala Lumpur is one of Asia's less crowded capitals. It offers plenty of running room outside the city in rubber and palm oil plantations, tin mining compounds and jungle.

Bees are a problem and wild pigs and snakes can be troublesome, but, Duncan says, "It's not as masochistic as it sounds. We get those over 50 who walk through most of it. Then there are the keen young blokes who want to finish first. In the middle are the majority who trot around together. Most aren't interested in heroes, just some congenial exercise."

The hare, and a helper scout, the area in advance. A good trail keeps the pack together for the first three-quarters of the run. Clever laying of "checks" to confuse and slow the harriers is necessary for a satisfactory event.

The paper trail ends abruptly at checks. It must resume within a radius of 100 yards, but the continuation may be hidden from the

searching harriers by trees or undergrowth. Leaders of the pack shout "checking" and fan out to discover where the trail resumes. When found, the cry "on, on" rallies the runners.

The original rules gave the harries a 10-minute head start. If the pack overtakes them while they are scattering paper, the harries are supposed to be stripped of their shorts and left

to fend for themselves. This has not happened in recorded hash history, says Duncan, and in fact the harries are given plenty of time to plan a crafty trail.

The paper is 4 inches by 4 inches, glossy white and biodegradable in recognition of anti-littering campaigners. Several U.S. chapters prefer flour and one has experimented with ink sprayed on snow in the winter. A hash in Sydney, Australia, uses chalk in urban areas.

"People get off the paper at every hash, but few get really lost," according to Duncan. However, he recalls the February 1969 episode when the entire pack of 40 runners spent the night lost in thick jungle. The last mosquito-bitten harrier struggled in the next day in time for lunch.

Hash legend abounds with stories of runners being chased by irate villagers or being led astray by small boys who remove the paper. Some harriers carry money for emergencies, and thirsty runners sometimes return by taxi.

Britain fought a Communist insurgency in this country from 1948 to 1960. In 1951 two harries laying a trail at Cheras stumbled across several sleeping guerrillas. The following pack found the rebels awake, but apparently too startled to shoot at grown men in shorts scampering through the jungle. The authorities were alerted, and three guerrillas were am-

bushed while trying to slip away the next day. The hash received a bounty.

A.H. Gispert is credited with founding the modern Hash House Harriers. It was named for Selangor Club Chambers, a Kuala Lumpur dormitory with uninspired cuisine where the Britisher and his friends resided.

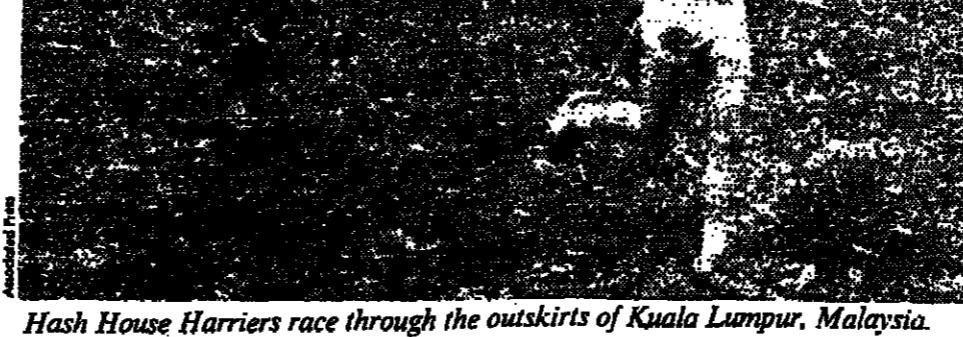
Rules were few and subject to frequent reinterpretation. The hare of the week was responsible for supplying drinks after each run and for safeguarding the officers' beer mugs, a jug to mix shandy and a metal tub.

World War II interrupted the hash after 117 runs. The Japanese occupied Malaya and Gispert was killed in battle at Singapore. A runner called "Torch" Bennett, now retired near Durban, South Africa, led the postwar revival by filing a war damages claim on the beer mugs and other treasures.

The second chapter opened in Singapore in 1962 and others sprouted elsewhere in what had become independent Malaysia.

Australia has 35 chapters plus six female groups known as "Hash House Harriers." The first U.S. unit was organized in Washington in 1972. There are now 18 U.S. chapters, including one for women in Washington.

The hash may not have universal appeal, Duncan says. "If you don't like falling in the cold river and having blocks run over you, then it's probably not for you."



Hash House Harriers race through the outskirts of Kuala Lumpur, Malaysia.

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Leisure

European Golf Courses for Travelers

This week is the third in a series of listings of golf courses in Europe open to traveling golfers.

by J.J. Massie

PARIS — ITALY: Robert Trent Jones designed the 18-hole I Roveri Golf Club near Turin, where Umberto Agnelli is the president; tel: 11.92.35.683. Outside Rome is the luxurious Olgiate Golf Club where world championships are played; tel: 6-3789141. San Remo has a short course with narrow fairways; tel: 184.85.922.

NETHERLANDS: The Hague Golf Club's 18-hole course, justly proud of its reputation as

all year and are located in Madrid (11), Málaga (17), Barcelona (7), Alicante (6), Valencia (6), Baleares (10) and the Canaries (4).

In Madrid: Real Sociedad Hipica Espanola Club de Campo is a beautiful 27-hole course, tel: 207.95.96. Herrera Club de Golf San Lorenzo del Escorial has an 18-hole course in a magnificent setting, tel: 896.03.00. Club de Golf de Lomas-Bosque, Villaviciosa de Odón, has a 27-hole course, tel: 464.32.15.

In the Balearic Islands, Son Vida Club de Golf in Palma de Mallorca has an 18-hole course open all year, tel: 23.76.20.

In the Canary Islands, the Club de golf de Tenerife has an 18-hole course, tel: 25.02.40. Campo de Golf Maspalomas' 18-hole course is 54 kilometers from Las Palmas on Grand Canaria, tel: 24.63.46. Club de Golf de Las Palmas, founded in 1891, is a correspondent of many British and Irish golf clubs, with 18 holes, tel: 35.10.50.

SWITZERLAND: The Swiss play golf like they play — seriously. Courses are long, tough and beautiful, like Lenzburg's or short and rugged (take a Sunday bag and watch out for cows) like the one at Villars-sur-Ollon.

The next women's world championship will be played at the 18-hole Golf Club de Genève in Cologny, tel: 22-357.540. Basel's 18-hole course is open from March to November. The Swiss Open is played at Crans sur Sierre, a 27-hole course on a 1,500-meter-high plateau with long tree-lined fairways, tel: 27.41.2.168.

UNITED KINGDOM: There is still no better place to play golf than Scotland. April and September are usually the best times for good weather and fewer crowds. As there are no electric carts in Scotland, caddies are traditional and expect £5 (\$11.25).

There are more than three dozen courses you can play in and around Edinburgh. Those within the city limits include Brae Hills, Murrayfield and Carrick Knowe.

Within easy driving distance are three excellent courses at Gullane and two at North Berwick. Plus two at the Delhanty Golf Club. There are four courses in one of the world's great resort hotels, Gleneagles: King's course is the longest and toughest. Then there's Queen's, Prince's and the newest, Glendevon.

At St. Andrews, where golf has been played since the 16th century, there are four seaside courses to choose from: the Old Course, most famous in the world, the New Course (only 150 years old), the Eden and the Jubilee.

SPAIN: Most golf courses in Spain are open

seaside courses: The longer is the Ailsa, the Arran is shorter but still a challenge. Nearby you can play at Royal Troon, with a difficult Old Course and the somewhat kinder Portland Course in the venerable town of Prestwick, scene of the first Open in 1860. Near London are the Wentworth, Sunningdale, Berkshire golf clubs in the Ascot region.

WEST GERMANY: There are many beautiful golf clubs in Germany, some quite old. Among the best and most difficult is Bremen's Club zur Vale, an 18-hole course with a superb strategic layout, demanding the widest variety of shots. Deliusweg 15, 28 Bremen 33.

Cologne Golf and Land Club, Koeln e.V. 5060, Bensberg-Refrath, has 18-holes. Near Cologne is the stately Old Bad Ems Golf Club, an 18-hole course with long wide fairways excellent for the long hitter, tel: 2603.5541.

Duesseldorfer Golf Club, Stresemannstrasse 12, 4 Dusseldorf, is an 18-hole course. Frankfurter Golf Club, Golfplatz, 6 Frankfurt-Niederrad, also has an 18-hole course. In Hamburg, Hamburger Golf Club e.V., in de Baren 59, 2 Hamburg 55, has a convenient 18-hole course. Also with 18 holes is Munich's Muenchener Golf Club e.V., Augsburger Str. 7, 8 Muenchen. Near Munich on the Starnberger Lake, the well known Feldafing Golf Club has a few very difficult holes with water hazards, tel: 89-350.5642.

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all year and are located in Madrid (11), Málaga (17), Barcelona (7), Alicante (6), Valencia (6), Baleares (10) and the Canaries (4).

In Madrid: Real Sociedad Hipica Espanola Club de Campo is a beautiful 27-hole course, tel: 207.95.96. Herrera Club de Golf San Lorenzo del Escorial has an 18-hole course in a magnificent setting, tel: 896.03.00. Club de Golf de Lomas-Bosque, Villaviciosa de Odón, has a 27-hole course, tel: 464.32.15.

In the Balearic Islands, Son Vida Club de Golf in Palma de Mallorca has an 18-hole course open all year, tel: 23.76.20.

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Tenerife has an 18-hole course, tel: 25.02.40.

Campo de Golf Maspalomas' 18-hole course is 54 kilometers from Las Palmas on Grand Canaria, tel: 24.63.46. Club de Golf de Las Palmas, founded in 1891, is a correspondent of many British and Irish golf clubs, with 18 holes, tel: 35.10.50.

SWITZERLAND: The Swiss play golf like

they play — seriously. Courses are long, tough and beautiful, like Lenzburg's or short and rugged (take a Sunday bag and watch out for cows) like the one at Villars-sur-Ollon.

The next women's world championship will

be played at the 18-hole Golf Club de Genève in Cologny, tel: 22-357.540. Basel's 18-hole course is open from March to November. The Swiss Open is played at Crans sur Sierre, a 27-hole course on a 1,500-meter-high plateau with long tree-lined fairways, tel: 27.41.2.168.

UNITED KINGDOM: There is still no better place to play golf than Scotland. April and September are usually the best times for good weather and fewer crowds. As there are no electric carts in Scotland, caddies are traditional and expect £5 (\$11.25).

There are more than three dozen courses you can play in and around Edinburgh. Those within the city limits include Brae Hills, Murrayfield and Carrick Knowe.

Within easy driving distance are three excellent courses at Gullane and two at North Berwick. Plus two at the Delhanty Golf Club. There are four courses in one of the world's great resort hotels, Gleneagles: King's course is the longest and toughest. Then there's Queen's, Prince's and the newest, Glendevon.

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The art market

'Paris-Paris': Instant Nostalgia

by Michael Gibson

PARIS — One of the problems of landscape painting in any period has been how to deal with the immediate foreground. It does not fit into the perspective of the landscape as a whole and sits there, shapeless and inevitable.

This problem also appears when one has to deal with the recent past, the point where the perspectives of history melt awkwardly into our own personal experience.

This is the difficulty that faced the organizers of the Pompidou Center's latest exhibition, "Paris-Paris" (to Nov. 2). The show spans a 20-year period: from 1937 and the concept of progress to 1957 and the concept of the absurd.

In 1937, the year of the Paris World Fair, aviation had made stupendous achievements (commemorated by Robert Delaunay's spiraling decorations for the Palais de l'Air). But Fascism was spreading. The Spanish Civil War was gnawing at the Western world's cheerful sense of progress, and aviation showed its flaws at Gernica — an event that was also commented upon by artists, with Picasso in the front rank.

The year 1957, on the other hand, was the 1st of the Fourth Republic. In May of the following year, De Gaulle was called back to restate new institutions, wean France from her stumbling empire and direct her toward new economic and social structures.

Between these two dates lay the fatal years of World War II and, for France, the conflict of Resistance and collaboration. After that experience, nothing could be the same any more — or in anything else — especially in those countries of Europe that had been physically and spiritually ravaged and scarred.

"Paris-Paris" tries to deal encyclopedically with the art, literature, philosophy, cinema, theater, photography, decoration and design of the period. The result is a great steamer trunk of a show with odd bits of clothing bulging out at the hinges, and while it may well be that nobody of real significance has been left out, one may also get the feeling that not many are adequately represented.

Dubuffet, yes, has a large selection of very fine works — but what about Requichot, represented by two items that do not really give the measure of the artist? Or Wols, abundantly represented by oil paintings that, in my opinion, do not equal his ink and watercolor works, here meagrely represented.

This is not to quibble over any particular artist, but to point out the difficulty of dealing with the immediate foreground of history.

What the exhibition does achieve, on the other hand, is an extraordinary gathering of names that left a mark on the art and thought of all recent Western culture. Since then, Paris' prominence in the field of arts and letters has been somewhat hampered by changing economic circumstances and techniques, and it is today too easily belittled by critics impressed by the new chauvinism of the U.S. market.

The prewar names have mostly achieved the status of monuments — Picasso, Chagall, Miró, Dali, Braque, Matisse, Picabia, Kandinsky, Delaunay, Rouault, Soutine, Leger, Chirico, Max Ernst, Duchamp (at least partly Parisian), Man Ray. Some of the postwar artists also have international stature, while others, who cannot be neglected while they, their widows, heirs or influential friends are still living,



"Blue nude" by Henri Matisse, 1952.



Le Corbusier's 'Notre Dame du Haut'.



Poster for Perrier by J. Auriac, 1957.

tions, I find them"), while the Surrealists spoke with the authoritarian voice of André Breton.

But they all addressed themselves to a relatively small "elite" audience, whereas the post-war artist found himself projected into the mass-media and transformed into a commodity of sorts. This was the misfortune of a Bernard Buffet or Georges Mathieu, who started out with authentic promise and then decided to ride the media wave that rose beneath them. Both these artists had something spectacular — Mathieu, of course, because of his theatrical practice of working in the presence of his public (Yves Klein would do that too, later on, but in a different spirit), and Buffet because of his graphic directness. But Buffet and Mathieu, in a sense, exemplify the compromise to which artists today may be driven by the power of the market and the need to earn a living. Others do as much, but more subtly or more hypocritically.

The more interesting artists of the postwar years are, on the whole, devoid of that social aura that made Picasso such a star. The rewards of art were not as great, and its perils were real: De Staél, Wols, Requichot, Asger Jorn, and even the provocative Yves Klein testify to this.

But the postwar years were also extraordinarily diverse and contradictory. Consider the simultaneous existence of Tachism and "socially significant art," of Giacometti and Dowson, of the geometric or kinetic, and COBRA, created in Paris by Danish, Belgian and Dutch artists who then left the city and rejected its supremacy; of Dubuffet and Art Brut along with Balthus of the future and as yet unchristened New Realists and Dominican Father Coubertin's attempts to get contemporary artists interested in religious art.

This last venture led to such interesting monuments as Matisse's chapel at Vence and Le Corbusier's surprising church at Ronchamp. All this, and more besides, is covered by "Paris-Paris."

The show also devotes its attention to literature and philosophy, much of rather too compactly presented on revolving panels. The chosen martyr figure of the age is Antonin Artaud, the actor (he figured as the handsome young monk in Carl Dreyer's "Joan of Arc"), artist, writer and mental patient. His influence on contemporary theater has been tremendous.

The dominant philosophers of France were Jean-Paul Sartre, who became a national monument ("You don't arrest Voltaire," De Gaulle rumbled when one of his aides suggested jailing Sartre), and Maurice Merleau-Ponty who died, prematurely for a philosopher, at the age of 53 in 1961 and is probably the more authentic thinker.

As for literature, the age offers such names as Malraux, Céline, Camus, Genet and Beckett, not to mention some more intimately and nontranslatable French writers and poets like René Char, St. John Perse, Georges Bataille or Raymond Queneau.

As it stands, the exhibition is an ambitious attempt at a summation, marred in part by the difficulty of taking stock at such close quarters and in part by the social constraints imposed on the organizers by the fact that more often than not they are dealing with living artists.

Taking stock of an age implies that the age is over. Those who were born in 1957 are now 24. One should not ignore the inherent pathos of such an undertaking: The show deals not only with history, but with nostalgia. It is a farewell to sorts. And after that there is no place for us to go but the future.

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itude among us, but to point out the difficulty of dealing with the immediate foreground of history.

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Reagan Expected at Third World Meeting

By Alan Riding
New York Times Service

MEXICO CITY — President Reagan has agreed to join the leaders of 21 industrialized and developing nations at a meeting in Mexico this fall to discuss the economic problems of the Third World according to Mexican officials.

President José López Portillo of Mexico is to issue a formal invitation when he meets Mr. Reagan in Washington next week, but the American leader is reported to have indicated privately weeks ago that he would attend on condition that Fidel Castro, the Cuban leader, was not present.

Although Mr. Castro is currently president of the movement of Third World nations professing nonalignment and was eager to attend the meeting, he has since been informed by the Mexican government that he will not be invited.

The sources said Thursday that Mr. Clark will visit South Africa, South-West Africa (Namibia) and possibly Zimbabwe next week to explore practical ways of winning an internationally acceptable agreement on Namibian independence, according to Reagan administration sources.

The sources said Thursday that Mr. Clark's trip did not signal a basic change in the administration's high priority goal of trying to use a solution to the Namibian conflict as a bridge to improving U.S. ties with South Africa and combating Soviet influence in southern Africa.

Instead, the sources added, Secretary of State Alexander M. Haig Jr. feels that the dispatch of Mr. Clark, the highest ranking U.S. official to visit Pretoria in many years, will underscore the importance that the administration attaches to pursuing closer relations with the South Africans while reassuring black Africa that Washington has not abandoned its interests.

The administration's pursuit of this goal has been thrown into disarray by failure to achieve agreement on Namibia during the recent U.S. visit of Foreign Minister R.F. Botha of South Africa, the subsequent leaking of State Department documents related to Mr. Botha's visit, and evidence of unhappiness in the administration and conservative congressional circles with the performance of Chester A. Crocker, assistant secretary of state-designate for African affairs.

Sen. Howard H. Baker Jr. of Tennessee, the Senate Republican leader, announced Thursday that Mr. Crocker's principal congressional critic, Sen. Jesse A. Helms, Republican of North Carolina, had removed the hold he had placed on Mr. Crocker's nomination.

Mr. Haig is known to have been angered by the leaks, which indicated U.S. willingness to help the South African government end its

Indonesia Measles Deaths
The Associated Press

JAKARTA — A measles epidemic that broke out in January in central Java has killed 52 persons, most of them less than 5 years old, the government said Thursday.

Consequently, the case of Mr. Hays — who shot a shoe-

"He was not at all happy," a Mexican official said.

The purpose of the meeting, which has been promoted mainly by Mr. Lopez Portillo and Chancellor Bruno Kreisky of Austria, is to seek a breakthrough in the negotiations between industrialized and developing nations by bringing key world leaders together for private and informal discussions.

"There'll be no speeches for domestic consumption," said a Mexican official who is involved in

Norwegian Held in 19 Murders

United Press International

TRONDHEIM, Norway — A nursing home director has been charged with murdering 19 elderly patients with curare, police said Friday.

Preparations for the gathering. "We want an absolutely free exchange of views, which could lead to some basic political understandings. We're not talking of negotiations between delegations. The idea is that the presidents and prime ministers should meet alone."

Preparations for the meeting, which will be held in Cancun, began early last year after a 17-member international commission headed by Willy Brandt, the former West German chancellor,

Arnfim Nessen, 44, a former male nurse who ran the home for four years until his arrest in March, has confessed to 17 killings and investigations into deaths at the home are continuing, detectives said.

warned in a report of the dangers to world peace posed by chronic poverty in much of the Third World.

An immediate problem was whether to invite the Soviet Union and other Communist governments that have traditionally boycotted such negotiations because, in the Marxist view, the problems of underdevelopment are the direct result of exploitation by "imperialist" powers.

The organizers also feared that if Mr. Reagan and Leonid I. Brezhnev, the Soviet leader, were to meet for the first time in Cancun, East-West issues would dominate the intended North-South discussions. In the end, however, they decided to invite both China and the Soviet Union. China immediately accepted, but Moscow is not expected to attend, although it has yet to turn down its invitation formally.

U.S. Orders Banks to Give Up Iran Funds

and phase of the agreement is supposed to be fulfilled.

Officials said Thursday that the U.S. Court of Appeals decisions handed down last month held in favor of the government's authority both to order transfer of the funds and to suspend any claims by Americans against that money.

The department's action Thursday was intended to begin implementation of the second phase of the agreement between the United States and Iran that led to the release of the 52 American hostages on Jan. 20.

On Feb. 26, the Treasury Department issued regulations for a similar transfer of funds, but it added that because of the outstanding legal issues surrounding the hostage-release agreement, it would not enforce any sanctions against those institutions that did not comply.

Thursday's revised regulations removed that protection and reprinted an attempt by the Reagan administration to get its hands on the frozen funds one month before July 19, the date by which the sec-

Under the agreement, the \$2.2 billion is to be transferred by the U.S. government by a formula that would send \$1 billion to an escrow account now located in the Bank of England and the remainder to the Iranian government.

The escrow account would be used to pay any awards made by an international tribunal that is being set up to hear claims by U.S. corporations and individuals for any losses they incurred after the regime of Ayatollah Ruhollah Khomeini came to power in Iran.

Government Wins Sri Lanka Vote Despite Fraud Charges, Violence

United Press International

COLOMBO, Sri Lanka — The government swept to victory Friday in local elections marred by fraud charges and violence that killed six persons and injured two.

Sri Lankans voted Thursday to select national development councils, which are to be established across the Indian Ocean island nation, formerly called Ceylon. The opposition People's Liberation Front won 16 seats and Tamil United Liberation Front took 10 seats.

The balloting and the counting

were conducted under a full state of emergency. Press censorship and a curfew from 6 p.m. to 5 a.m. were imposed.

President Junius R. Jayewardene's ruling United National Party took 63 seats in the councils, which are to be established across the Indian Ocean island nation, formerly called Ceylon. The opposition People's Liberation Front won 16 seats and Tamil United Liberation Front took 10 seats.

Gene Therapy Stirs Hope, Controversy

By Harold M. Schmeck Jr.
New York Times Service

NEW YORK — The 21-year-old woman has "gargoyle" features, short stature and multiple bone deformities that have led to several fractures. In addition, she has hormone deficiencies and chronic heart failure. Her life expectancy is only about two more years, and she is too intelligent to have many illusions about the future.

This grim portrait illustrates the human side of a frontier of medical research called gene therapy. Despite their variety, the young woman's life-threatening disabilities seem to result from a single defective or missing gene among the many thousands that make up a person's hereditary endowment. The result of that single gene defect is a grave form of anemia — beta zero thalassemia major.

The gene that she lacks has been identified, named (the beta globin gene) and chemically characterized. Indeed, scientists have manufactured copies of it in laboratories using recombinant DNA, or "gene splicing" techniques. In theory, it might be possible to insert into her bone marrow, where blood is formed, enough copies of the beta globin gene to help her make normal blood.

In research on the chemistry of genetics, that theory is being transformed into experiment.

The woman, who lives in Israel, was one of two patients in whom an American scientist tried last year to insert copies of the normal gene to take up the missing function that was destroying her life. There was no evidence that the experimental treatments endangered the patients or anyone else; whether they have had any useful effect is unknown. But last week, the scientist who performed the procedure, Dr. Martin J. Cline of the University of California, Los Angeles, was reprimanded by the National Institutes of Health for attempting experimental gene therapy without approval from his university.

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Local Authorities

The patients were treated in Italy and Israel with permission from local authorities — the disease being more common in those countries than in the United States — after completion of animal experiments at UCLA. Short lengths of the patients' legs were irradiated and about a teaspoonful of genetic material was injected in two doses. It was hoped that some material would migrate to the bone marrow and take root. In an interview earlier this year, Dr. Cline said he had expected the treatments to be the beginning of a long-term study. Controversy concerning the research appears to have jeopardized this plan.

The scientific community is divided over the propriety of such attempts at this time. The issue has gained particular importance because there are many other tragic disorders in which similar treatments might, in theory, be tried.

British medical authorities also expressed doubt that lethal injection would be any more humane than a properly conducted hanging.

In 1977, Oklahoma became the first state to adopt lethal injection as the means of execution. Since then Texas, Idaho and New Mexico have adopted the method.

While the desire for more humane executions is the principal reason the lethal-injection statute was adopted, others have been cited. Oklahoma, for example, was faced with restoring its decrepit electric chair at a reported cost of \$62,000 or building a gas chamber at an estimated cost of \$200,000 when the lethal-injection bill was passed. Supporters estimated the cost of an injection execution at only \$10 to \$20.

Another argument is that injection would be easier to witness than an electrocution.

much remains to be learned, even the best understood genetic disorders — too much to allow gene therapy in humans.

To perform a gene transplant properly, they say, the researchers should know how best to introduce the gene into the patient's body and how to turn on the gene so that it functions normally and fit in with the overall economy of the patient's body and its tissues. Scientists are exploring these problems, but they have yet to provide complete solutions.

Protein Product

At several research institution experiments have been performed in which entire cell nuclei have been transplanted. Foreign genes have been put directly into nuclei. Scientists have even inserted foreign genes into early mouse embryos, finding evidence that genes persisted in some embryos.

The strategy of inserting a gene or the gene's protein product, into a human embryo that lacks it, is under discussion at several medical research centers, although the treatment remains conjecture for the present. A few cases in which an unborn baby lacks a specific substance — the vitamin biotin, for example — have been treated successfully, but by giving it to the mother, not the fetus, the needed material.

A basic gene therapy method was actually tried a decade ago. Doctors were trying to save two babies in Germany who faced inevitable mental retardation because of a rare inborn chemical defect that left them without the enzyme that breaks down the amino acid arginine. The infants were injected internally with the vitamin that contained genetic instructions for making an enzyme that would break down arginine. The experimental treatments failed, however, and so far as is known have not been tried again.

Today, a number of scientists and many nonscientists, are concerned on ethical and ideological grounds over possible future attempts at gene therapy. They argue that efforts to manipulate human genetics to cure disease could lead to attempts to change heredity for other, perhaps irrational, reasons that would threaten human freedom and individuality.

Nevada Tightens Law on Abortion

The Associated Press

CARSON CITY, Nev. — A bill requiring women considering an abortion to notify their husband first and then wait 24 hours before the operation has been signed by Gov. Robert List, who said the new statute would help women make a reasoned choice.

The law, signed Thursday, also requires teen-agers considering an abortion to notify their parents. Physicians who perform abortions without abiding by the new requirements or who fail to explain abortion proceedings adequately to their patients face misdemeanors.

Gov. List said his decision to sign the bill into law was a "high personal" one. "As a husband and father, I believe that a teen-age daughter under 18, or a woman who is married, has an obligation to inform her parents or husband. They have a stake in her decision and should have a voice in it."

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AEROSPACE

Airbus Wages Global Battle With Boeing

(Continued from Page 9S)

was head of the French civil aviation authority, which, among other things, kept an eye on the Concorde manufacturing program. Before that, he was a senior adviser to the minister of transport, following a four-year stint as an inspector of finance.

In France, however, one rarely steps into any of these positions without an acceptable education. After obtaining a bachelor's law degree in Paris and attending the Institut d'Etudes Politiques de Paris, Mr. Lathiere was first in his class at the French national school for civil servants (ENA).

"People were surprised to see a career civil servant selling airplanes," the Calcutta-born Mr. Lathiere said. "But this is a fascinating occupation—it's global in scope, the product is superb, and every success is a victory for all of Europe."

Mr. Lathiere does not like to be quoted when it comes to comments on the competition. In fact, he admits that both Airbus and Boeing manufacture excellent aircraft and says he enjoys the competitive nature of marketing today's crop and planning for tomorrow's. But it is a tough game. For example, he does not even want Boeing to know that Airbus will be displaying a mock-up of the interior of the fuselage of the A-320 at Le Bourget. That aircraft will be a 130-170-seater—aimed at a market sector that is expected to be attacked by Boeing as well as a McDonnell Douglas/Fokker consortium.

"When you're selling something that costs between \$40 million (the A-310) and \$50 million (the A-300), and when it costs \$1.5 billion to get a new family member onto the market (the A-320), you can't let the competition know everything," he explained, admitting that aerospace, because of the relatively small number of manufacturers, is incredibly incestuous. "You don't have to tell them how much you'll be increasing your sales force and your after-sales staff during the next five years," he said.

Boeing is obviously intent on maintaining its commanding share of the civil aircraft market, but continually acknowledges Airbus as a competitor. The company's director of corporate public relations, Peter Bush, recently said in Seattle that "in the past our competition was mainly Douglas and Lockheed... Now all of a sudden we are worrying more about Airbus."

Mr. Bush added: "It's a bit much to expect one American enterprise, wholly owned by stockholders, to go against an enterprise backed by three major European governments who don't have to cover the cost of production because they're subsidized."

Mr. Lathiere is riled by this contention. Putting the glass of wine on the table and looking at a model of the A-300 on his desk, he explained, for what appeared to be the last time, that Airbus is simply not a subsidized business.

"Financing comes from the partners or in the form of loans from their governments, which are often the shareholders because the companies are nationalized," he said. "But for every Airbus sold, and we're approaching the 500 mark with a break-even expected

at 800, \$3 million is returned to pay down those loans. We are not here to lose money and we are certainly intent on making money."

Although Airbus may not be subsidized, it does have the backing of the European aerospace heavyweights and their governments. Airbus Industrie, a "pooling of economic interest" with 900 employees, is responsible to France's Aerospatiale (with a 37.9-percent interest), Deutsche Airbus, comprising MBB and VFW (37.9 percent), British Aerospace (20 percent), Spain's CASA (4.2 percent) and associate members Fokker in the Netherlands and Belgium's Belairbus.

The result is a pan-European project with all the problems and pitfalls that implies, which has developed, said Mr. Lathiere, a "technically superb aircraft because of a cross-fertilization of engineering techniques that provide a nearly fail-safe, cost-effective development."

The early partners to such a collaboration were formidable: program coordination, engineering approaches and design standards, ownership of technology, language differences, specifications and quality control, financing, varying labor laws, and employment conditions. But the Europeans, largely because of the tangible commercial success, believe that Airbus has succeeded in overcoming the problems.

* On Par With Americans'

"The Airbus has undoubtedly put Europe on a technical par with the Americans," according to Gustav Bittner, vice president of MBB in Munich. "No European company could have financed the job alone, and now that collaboration has worked we definitely want to see it continued."

British Aerospace Chairman Sir Austin Pearce concurs: "The alternatives were to go it alone, which was not economically viable, or to become, in effect, a subcontractor to one of the American firms."

Although there is some international collaboration in the field of large civil aircraft (Aeritalia is working with Boeing on the 767, for example, and Fokker has signed a memorandum of understanding with McDonnell Douglas to design a 150-seat aircraft), most observers are keenly watching what Airbus will do in the future.

"We need a family of five aircraft to cover a full spectrum of the future market," said Mr. Lathiere, insisting that the partners are in unanimous agreement to expand the Airbus family despite recent reports that the West German interests are hesitant.

Sweden and Finland are the only two Nordic countries involved in aerospace manufacturing, and Sweden's two producers are acutely aware of the limitations of their small home market: They must export or perish.

Both Saab-Scania and Volvo Flygmotor appear to have survived the worst of the 1970s handsomely. Neither has ever returned a loss.

Both are threatened by the government's growing tendency to cut military spending—maintaining military production to some extent is crucial for providing technological innovations to create spin-offs in other areas—but both expect non-military lines to be the mainstay of their business, if not the key to their survival.

If new opportunities had not come along we probably would have had to suspend a large part of our operation and personnel" more than a year ago, Mr. Gullstrand said. It would have been an anti-climatic ending to a



Bernard Lathiere: "...Details, always the details."

other manufacturers, including Japanese and U.S. companies, about possible participation in future projects, and the structure of the consortium could be altered, depending on talks that will continue during and after the air show.

"There could be a change in the percentages of participation or in the type of work sharing," Mr. Lathiere said. "The parts are now manufactured in different countries and transported to Toulouse for final assembly. In the future, assembly could be carried out in another country."

Mr. Lathiere is not worried about taking on the additional load of future Airbus variants. The present participants are increasing production from four aircraft a month to eight in 1984 and will use this experience for future manufacturing.

"We have mastered the technical, physical, political, industrial and administrative problems of building an Airbus," he joked. "I fly like a butterfly and sting like a bee."

Mr. Lathiere has been stung himself. Airbus Industrie faced a

made firm orders or taken options on 469 A-300s or A-310s. Although Eastern and Canada's Wardair International are the only North American airlines to buy the other clients cover the globe: Swissair, Cruzeiro, Laker, Transaustrian, Air Afrique, Indian Airlines, Lufthansa, Thai International Airways.

* Supersalesman

Mr. Lathiere, the former civil servant, is now regarded as a supersalesman. He and his commercial vice president, George Warde, formerly president of American Airlines, each travel more than 250,000 miles a year, prospecting new business.

In fact, Mr. Lathiere likens himself to the butterfly collections on his office wall. The gifts—from Cuba, Mexico, Madagascar and Brazil—were presented by potential Airbus clients. "Like that American boxer," he joked. "I fly like a butterfly and sting like a bee."

Mr. Lathiere has been stung himself. Airbus Industrie faced a

drought in 1976 and did not sell one airplane during the entire year. Then, in 1977, it looked as though Western Airlines would order the A-300 and permit the breakthrough in the United States.

"The deal fell through as the Champagne was being brought out of the cooler," he said. "Then a month or two later, Frank Borman ordered the first of his fleet of Airbus planes."

Mr. Borman's order was, said Mr. Lathiere, "the trigger of our success; [it] provided us with a required respectability."

* New Cockpit

Mr. Borman has now become an important promoter of the Airbus and is particularly enthusiastic about the new forward-facing crew cockpit (also on display at Le Bourget), which uses logically organized controls to display data in a manner that improves crew efficiency and minimizes the workload.

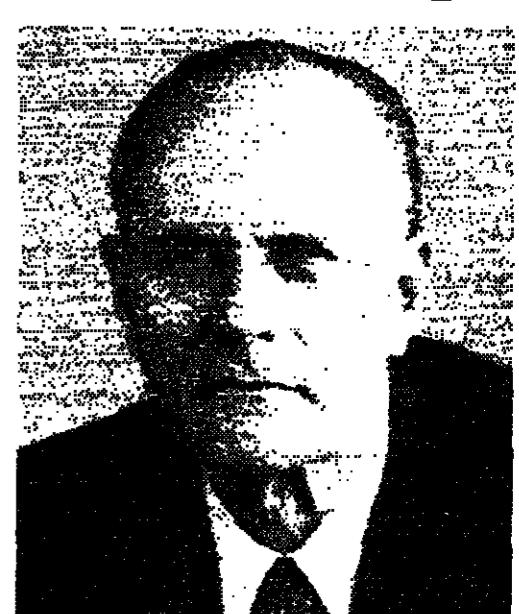
The new Airbus cockpit is at least a generation ahead of any of the American producers, particularly in terms of software and presentation," according to Mr. Borman.

Mr. Lathiere recalled the Borman breakthrough with almost as much glee as his wine project. He talked about how he has refined his sales pitch, learning as much as possible about his clients' requirements. He knows when to order aged Armagnac on the terrace at Pujol's in Toulouse or be content with sharing sandwiches during formal contract negotiations.

"You must understand the personality of every airline official in as much depth as possible," he said. "Tell them about the American engines and components, if that's what they want, or the design they can have on their seat covers. The trick is to seduce them with the details, always the details."



SIR AUSTIN PEARCE, chairman of British Aerospace:



JACQUES MITTERAND, chairman of Aerospatiale:

Despite the current economic crisis—characterized by rising fuel prices, soaring inflation and high interest rates—the demand for air transportation will continue to grow during the next two decades and the global air transport system will adapt itself to solve the problems faced in meeting that demand.

Fuel costs, maintenance costs and longer depreciation periods all combine to justify the value of new technology to the operators. Future civil aircraft, either all new or derivatives of current models, will feature advanced technology in terms of the extensive use of new alloys and composites and further advances in wing aerodynamics, air-load management and digital avionics. The large investment required by aircraft programs—including research and development, tooling and start-up costs, which can amount to \$3-\$4 billion

—suggests that in the not too distant future only two or three manufacturers will dare launch new ventures. In fact, it is quite possible that only two areas in the world will see the assembly of the entire output of tomorrow's commercial jets—the West Coast of the United States and the south of France. *

SWEDEN Export or Perish: Industry Takes On Challenge

By Westerly Christner

STOCKHOLM — Less than two

years ago the aerospace division of Saab-Scania, the automotive group, was facing "a fairly bad situation," said Tore R. Gullstrand, who has been with the company for 25 years and its managing director for 12.

Sweden and Finland are the only two Nordic countries involved in aerospace manufacturing, and Sweden's two producers are acutely aware of the limitations of their small home market: They must export or perish.

Both Saab-Scania and Volvo Flygmotor appear to have survived the worst of the 1970s handsomely. Neither has ever returned a loss.

Both are threatened by the government's growing tendency to cut military spending—maintaining military production to some extent is crucial for providing technological innovations to create spin-offs in other areas—but both expect non-military lines to be the mainstay of their business, if not the key to their survival.

If new opportunities had not come along we probably would have had to suspend a large part of our operation and personnel" more than a year ago, Mr. Gullstrand said. It would have been an anti-climatic ending to a

bright past: Airplanes were the foundation of the Saab-Scania group, with Svenska Aeroplans Aktiebolaget being formed in 1937.

The aerospace division did not have a single major civilian aircraft project under way. The Swedish military command had not yet decided on developing a new multi-role combat aircraft to replace the Viggen weapon system. The division began to see a "brain drain" of some of its top technical experts to other countries, notably the United States.

That trend has been reversed. "I think everyone has returned now," Mr. Gullstrand said with a smile. The reason is twofold: the Saab-Fairchild 340 commuter plane and a new combat aircraft called the JAS.

Great emphasis is now being placed on developing a new class of airliner, the compact twin-engine commuter, or "feeder liner," with a 20-to-40-seat capacity.

The market for this class has boomed in the last few years because of staggering fuel prices—which have forced several larger airlines to abandon jetliner services to smaller cities—and the world recession. It is estimated that the U.S. commuter airline industry is growing at an annual rate of 12 percent, with about 50 such operations throughout the country. By 1990, it is forecast, commuter business will account for about 10 percent of the U.S. travel market—or more than 500 million passengers a year, from the present 12 million.

Saab Aerospace, hoping to cash in on this fast-growth market, decided to join forces with Fairchild Industries of the United States to create a commuter liner. In January, 1980, the two agreed to jointly develop, produce and market the low-wing, twin turboprop Saab-Fairchild 340, a 34-passenger airliner.

The total investment program for development and initial production, on the Swedish side, is 800 million kronor (\$160 million), including a factory at Saab-Scania's Linkoping airport, Mr. Gullstrand said. The aerospace division has a 75-percent development stake in the venture, and manufacturing costs are split 50-50.

"To help finance this project we secured a loan from the government of 350 million kronor. Construction of the plant started in January. It will be ready by the turn of the year, when the first two prototypes will be built," Mr. Gullstrand said. The first of the two is scheduled to be flying at the end of 1982.

General Electric is supplying the CT7-5 turboprop engine. The fuselage and carriages will be built in Sweden, the wings and tails in the United States. Final assembly will take place at the new Linkoping plant.

The contract for the nose undercarriage and the main undercarriages went to AP Precision Hydraulics of Liverpool, the aircraft and marine division of Automotive Products Ltd.

Volvo Flygmotor and the telecommunications groups L.M. Ericsson and SRA Communications are investing about 400 million kronor through next year on project definition and initial development of the new system, the JAS.

Volvo Flygmotor is responsible for systems management, systems integration and basic flying platform,

Volvo Flygmotor for the engine, L.M. Ericsson for the radar and

SRA for display and recording systems.

Ariane-5 is scheduled to be put into production.

In the long run, the total military budget for R&D, production and weapons up to the year 2000 is 20 billion kronor," Mr. Gullstrand said. "The trick is to come up with an aircraft that will not exceed this budget but will, at the same time, be effective. If we cannot meet the financial requirements, we will have to look at foreign alternatives."

Gunnar L. Johansson, managing director of Flygmotor, said his company is expected to expand on existing cooperation with GE for the engine for the JAS. The F-404, adapted to Swedish needs. "We will buy some parts from GE and we will be producing some ourselves," says Mr. Johansson, who has been with the Volvo group since 1955 and Flygmotor's chief executive since 1972.

About 65 percent of the company's turnover or 485 million kronor, is generated from military production. Within a decade, that share is calculated to shrink to one-third, with the remainder made up by commercial aircraft and rocket engines and products outside the aerospace field, Mr. Johansson said.

Company Strategy

The company strategy calls for a 20-percent growth in sales of commercial engines and a 5-percent turnover lift for non-aerospace products over the next 10 years.

"In the early '70s over 90 percent of our sales were on the military side. We have succeeded in reducing this and taking up other products, having had an increase in volume over the last decade," Mr. Johansson said.

The commercial airline market outside the United States is growing. In the Third World, where difficult terrain often impedes links between otherwise proximate communities, expansion of the business is necessary.

British Aerospace, Fokker, Embraer, Short Brothers, Beechcraft, Aerospatiale, Aeritalia, Dornier and the like are all getting into the commercial liner act, but Mr. Gullstrand sees the SF-340's main competitor as de Havilland Aircraft of Canada. De Havilland has built and sold more than 700 of its 19-passenger Twin Otter and more than 100 of its 50-seat, four-engine Dash Seven turboprop aircraft, and is developing the 32-to-36-seat Dash 8 twin turboprop.

* Combat Aircraft

Mr. Gullstrand said Saab Aerospace is studying other applications of the SF-340—such as government dispatches and flying ambulances—and the possibility of developing 50-seat and 60-seat models.

The other major factor behind the aerospace division's turnaround involves the Swedish military's decision to approve a study for development of a new combat aircraft. Last year, the Riksdag (parliament) decided that aircraft development should be directed toward replacing the entire Viggen system, which has been the mainstay of the Swedish Air Force.

A consortium of Saab-Scania, Volvo Flygmotor and the telecommunications groups L.M. Ericsson and SRA Communications are investing about 400 million kronor through next year on project definition and initial development of the new system, the JAS.

During the next 20 months, the value of orders in connection with the Ariane project is expected to grow steadily from the present 20 million kronor a year. By 1990, the

cornerstone of Flygmotor's military business by the beginning of the 1990s will be the JAS. Mr. Johansson said he envisions continued partnership with Garrett (based on derivative engines of the TFE-731 and TFE-331 on the civilian side and the TFE-1042 on the military side) and GE (for the CF6-32) on the commercial engine side.

An important spin-off from Flygmotor's jet engine operation—in particular, the development of fuel systems—was the growth of the company's hydraulics division.

"In 1965 we bought a patent when we were looking for a hydraulic pump-motor for the afterburner of the Viggen engine. We developed a series of products around it," Mr. Johansson said. Now more than 100 million kronor a year in turnover is generated from this product range, growing 20 to 25 percent a year.

* Original Field

It is a far cry from Flygmotor's original field of activity, jet engines for military purposes, set up in 1930 when the Swedish Air Force was created. Production is carried out at Flygmotor's main factory in Trollhattan, and in West Berlin. All told, it produces about 25,000 hydraulic units yearly.

Another non-military project that Flygmotor pins its hopes on is the Ariane space project, being produced as a joint European effort to put telecommunications satellites into orbit. In 1975, Flygmotor was chosen to manufacture the combustion chambers for the first and second stages of the rocket engines. Prototype development was completed in 1979.

During the next 20 months, the value of orders in connection with the Ariane project is expected to grow steadily from the present 20 million kronor a year. By 1990, the

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AEROSPACE

Boeing Leaves U.S. Rivals Behind

By Douglas B. Feaver
Washington Post Service

WASHINGTON — Boeing pulled out all the public relations stops. It set up a closed-circuit television network with feeds from Atlanta to reporters in Washington, New York, Seattle, London and Paris.

Board Chairman T.A. Wilson sat at the press table in Washington, beaming. Delta Air Lines President David Garrett materialized on the screen to announce that he would buy 60 new Boeing 757 jetliners. That \$3-billion order last November was the largest in commercial aviation history and ended the debate about whether Boeing has serious airplane-building competition in the United States.

It does not. Boeing, an economic basket case a decade ago, has left McDonnell Douglas and Lockheed far behind. The significant competition is from Airbus Industrie, the European consortium that is busily selling A-300s and A-310s.

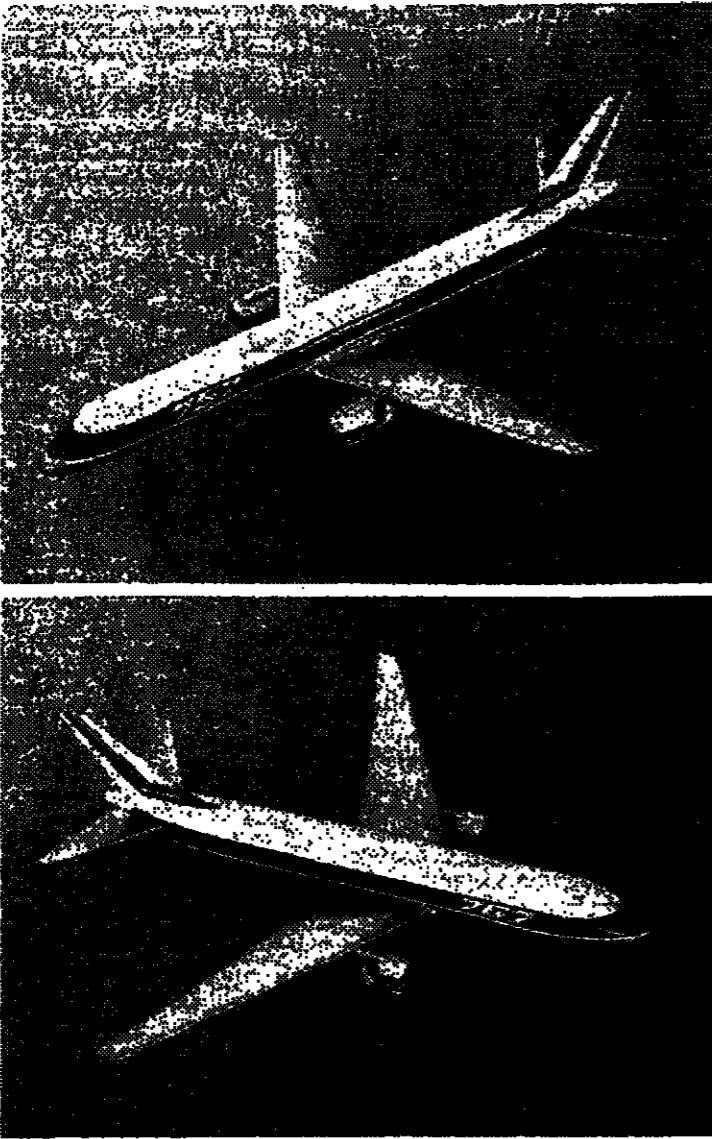
The Boeing name is associated with everything from support services for the space shuttle to hydrofoils for the Navy to the Cruise missile for the Air Force. But three-fourths of Boeing's revenue (which totaled \$9.4 billion in 1980) comes from selling airplanes, and Boeing has developed a remarkable technique for doing it: Offer the buyer everything he could want. If you have an airline, Boeing has your plane.

Family of Airplanes

"Boeing has proven the value of the family of airplanes very well, from the smallest to the largest," said John Brizendine, president of the Douglas Aircraft Co., the McDonnell Douglas subsidiary that builds DC-9s and DC-10s. Boeing's idea, he said, was "either well-conceived or damn lucky, one of the two ... I'll give them credit that it was well-conceived."

The Delta order of 757s was big enough to launch a new airplane. Shortly after Boeing got it, Douglas withdrew plans to build a similar-size jetliner known on the drawing board as the DCXX. The order also meant that Boeing had won its huge gamble to develop with private capital two new airplanes, the 757 and the 767. It costs about \$2 billion to get just one new airplane off the ground, so the risk is substantial.

The potential payoff is too. In the next 10 years, the major airplane manufacturers generally agree, there should be a worldwide commercial jetliner market for about 5,000 airplanes that will sell for more than \$120 billion. That market is so large not only because of natural growth anticipated in airline travel, but also because the



The new extended upper deck of the Boeing 747 (above) and the present body contour are shown in these forward-fuselage mock-ups at a factory in Everett, Wash. The upper deck is being extended 23 feet further aft to increase its economy-class seats from 32 to 69.

airlines are desperate to find planes that use fuel efficiently.

The big four-engine jet transports that inaugurated jet travel for commercial passengers more than 20 years ago — the Boeing 707s and McDonnell-Douglas DC-8s — were built when jet fuel cost 12 cents a gallon. Now it is almost \$1. Fuel used to be 12 percent of airline operating costs; now it is more than 30 percent.

"Stretch" 737

To meet that need, Boeing has under construction in factories near Seattle the first production models of the 757 and the 767. It is also developing a plane that is at least half new, a "stretch" version of the 737. Boeing projects that these planes will use 35 percent to 40 percent less fuel per seat than their predecessors.

Despite the success, Boeing is facing difficult months. First, the new administration, although Republican and presumably pro-business, has placed some obstacles in Boeing's path. Secondly, the sales

of Boeing's longtime breadwinner, the ubiquitous 727, are slowing as orders come in for more efficient airplanes. Mr. Wilson, Boeing's chairman, testified in the House of Representatives recently that Boeing expects "negative cash flows" in excess of \$1 billion in 1981 and 1982 as suppliers are paid for their parts of new airplanes that will not be generating income for Boeing for two or three years.

The first problem that Boeing has had with the administration strikes at the heart of Boeing's ability, it claims, to compete with Airbus. The administration proposed cutting by \$752 million this year the Export-Import Bank's ability to assist potential foreign buyers of U.S. products. That cut was to be the first step in an effort "to reduce or eliminate federal subsidies to business," in President Reagan's words. No final action has been taken on the cuts.

Boeing expects that three-fifths of the new airplane market will come from non-U.S. airlines. Fur-

thermore, Mr. Wilson said in testimony before the House, \$3 billion of Boeing's export sales of \$5 billion in 1980 involved Ex-Im financing.

Backing for Airbus

Airbus, Mr. Wilson said, "is solidly backed by the governments of France, Germany and Great Britain. Because of the subsidy practices of these governments, Airbus is not faced with generating a profit to remain in business and there is no indication that it is profitable. Nevertheless, the A-300 and A-310 jet transports are very good airplanes and we are acutely aware of the financial resources and the political support provided Airbus to advance its competitive position."

The second problem from the Reagan administration came on the question of how many people it takes to fly an airplane safely. Boeing intends to offer the 757 and 767 with cockpits containing either two or three seats, depending on what the individual airline can work out with its pilots.

There is no safety issue, Boeing contends, and statistics comparing the accident rates of two- and three-member crew airplanes show no perceptible difference. Boeing's 737, the McDonnell Douglas DC-9 and the British Aerospace BAC-111 have been flown safely for years with two crew members.

Nonetheless, with the Air Line Pilots Association threatening a nationwide walkout in the early days of the new administration, Transportation Secretary Drew Lewis promised that a presidential task force would re-examine the issue. Boeing sent its heaviest hitters to testify in favor of two-pilot crews last month. The task force is expected to issue a recommendation later this year.

What Boeing clearly fears is that it could be locked out of a major share of the world market if the Federal Aviation Administration is forced, for labor relations rather than safety reasons, to declare that all airplanes must have three crew members.

While that issue simmers, Boeing continues pressing for another market advantage. The 757 and 767 will have essentially identical cockpits. Crew members will theoretically be able to fly either plane while training on just one.

That is just another point that Boeing salesmen can make when they sit down with an airline executive and propose to equip him with a fleet. They can offer:

• The 727, the most popular commercial airliner ever built, a three-engine jet that can carry 143 people about 1,900 miles. More than 1,700 of these jets have been delivered and another 100 are on order.

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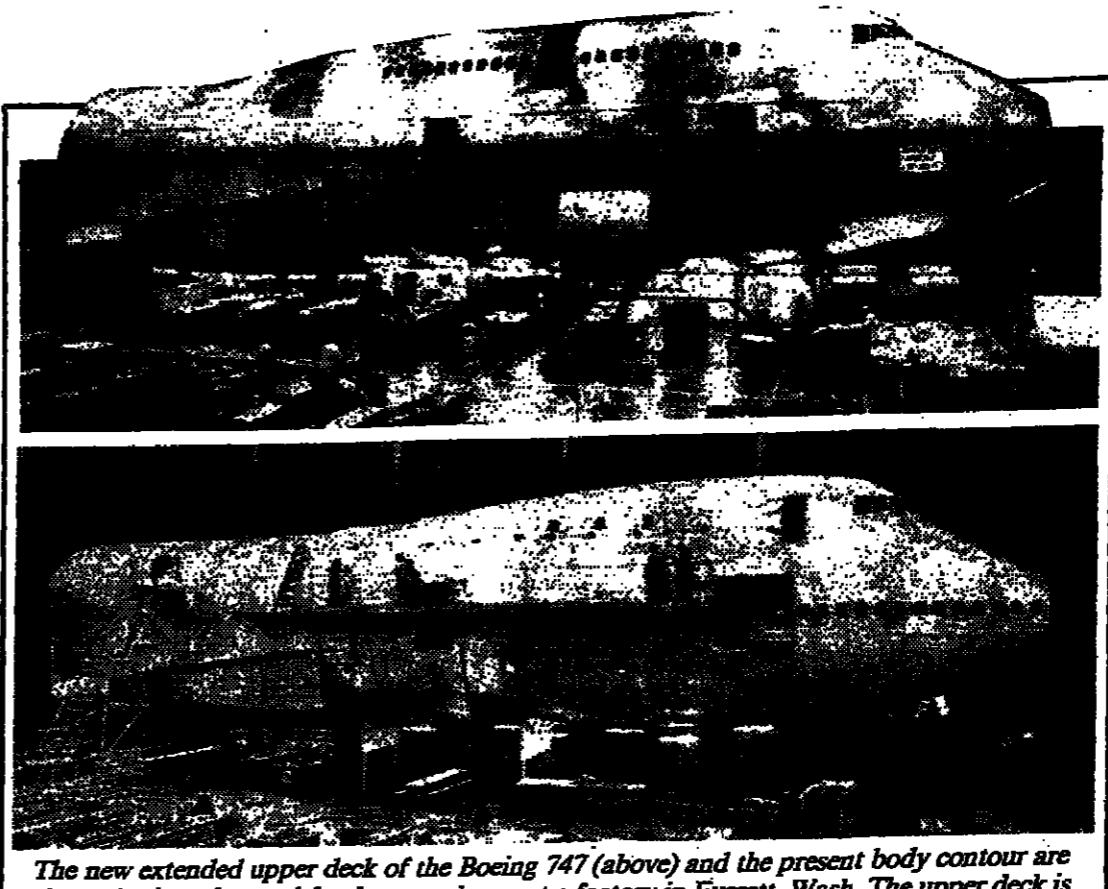
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The new extended upper deck of the Boeing 747 (above) and the present body contour are shown in these forward-fuselage mock-ups at a factory in Everett, Wash. The upper deck is being extended 23 feet further aft to increase its economy-class seats from 32 to 69.

Co., which builds the L-1011,enviably calls the 727 "one of the few money trees that ever was produced in commercial aviation";

• The 707, Boeing's first commercial jetliner, which is still being manufactured but only as a platform for the Air Force's Airborne Warning and Control System (AWACS).

Boeing, under the direction of Mr. Wilson, reached its position of dominance by making one of the great economic recoveries. In the early 1970s, the 747 was not selling quickly enough and had cost an enormous amount of money to develop. Congress had decided there would be no U.S. supersonic transport, and Boeing left that field to the Concorde. That loss, in retrospect, may have been a break because more resources were not chewed up developing an aircraft that had a low payload and a huge fuel bill.

• The 757, one of the two new Boeing planes, which will have a narrow body the same width as the 727's and slightly more range. It will carry about 175 passengers. Boeing regards the twin-engine 757 as the logical successor to the 727 and has taken 129 orders, with the first delivery scheduled in January 1983.

• The 767, the other new plane, a twin-engine wide body with about 210 seats and a range of 2,900 miles. There are 170 orders for this plane with the first delivery scheduled in August 1983.

• The 777, the most popular commercial airliner ever built, a three-engine jet that can carry 143 people about 1,900 miles. More than 1,700 of these jets have been delivered and another 100 are on order.

Boeing employment in the Seattle area dropped precipitously

from 101,000 to 35,000 and Seattle's economy was devastated. Now Boeing is back to about 85,000. "The biggest thing now," Mr. Bush said, "is that we're immensely more productive than we were. Fewer people do more ... and we invested a lot of dough in tools."

The higher productivity of Boeing's tooling is obvious even to a layman taking consecutive tours of the Douglas, Lockheed and Boeing assembly lines. A giant new gadget on the 767 line automatically locates, drills and countersinks the holes, then places and finishes 85 percent to 90 percent of the hundreds of rivets on a wing. Older tooling required hand placement of almost one-third of the rivets. Productivity gains were aided with the sudden popularity of the 727, the "money tree." Growing foreign sales filled positions in the assembly line and began to generate the cash that brought Boeing back.

Perhaps the biggest factor was the quality of Boeing's top engineering and management people, a tribute to the personnel selection skill of Mr. Wilson. A federal official with wide experience in dealing with the major airline manufacturers put it this way: "At Boeing," he said, "you get layer after layer after layer of class acts."

Formidable though the aircraft are, Saudi ministers say they will not be adequate for the kingdom's military needs, implying that more planes will be bought. The present strength of the air force is built around 30 aging British-supplied Lightning F-2s and about 100 Northrop F-5 fighters.

Combat Aircraft

As far as combat aircraft are concerned, the big question is: whether Saudi Arabia will shop in the United States or Europe. The main barrier to the United States doing business at the moment is its own domestic lobbies. In the international market, particularly in the Middle East, the principal competition in recent years has come from France, although some believe that newly elected President Francois Mitterrand will be a less enthusiastic supporter of arms sales than his predecessor, Valery Giscard d'Estaing.

France has sold Crotale and Shabine mobile surface-to-air missile systems, manufactured by Thomson-CSF and Engins Maitre, to Saudi Arabia in the last two years, and, reportedly, at the end of 1980, 40 Mirage F-1 fighters.

Most areas of the Middle East have provided lucrative markets for France's aerospace manufacturers. Libya has bought 116 Mirage 3s and 5s and has 32 Mirage F-1s on order.

Ironically, it was Israel that provided the takeoff in the region for the Mirage's producer, Avions Marcel Dassault-Breguet. Indeed, the Mirage fighters, which played such a decisive role in the 1967 war, later became the base model for Israel Aircraft Industries' own Kfir fighter.

Today more than 350 Mirage fighters are in service, or on order, from nine Arab air forces. A mixture of technical ability, professionalism and political neutrality has given Dassault and other French companies a rich harvest of orders.

Outside of their own countries, Arab carriers are seeking new destinations in the Far East and United States. Five — Alia, Gulf Air, Kuwait Airlines, MEA and Saudia — have already agreed to operate a combined route between the Middle East and North America.

Mideast: Racing to Buy More Weapons

By Robert Bailey

THERE are well over 3,000 combat aircraft in service with Middle East air forces, and throughout the region the trend is to develop further the capabilities of the armed forces. It is an arms race that has continued almost unabated for 30 years.

The Middle East is the world's biggest importer of military hardware. In each decade since the end of World War II, there has been a major war between Israel and its Arab neighbors. The volatility has been increased by a number of other conflicts in the region, the latest between Iran and Iraq.

In this troubled atmosphere it is not surprising that the market for military aircraft and missiles has increased, nor that the demand is for the latest and most sophisticated equipment. During the 1960s, Egypt, Israel and Syria set the pace for procurement. In the 1970s, Iran under the shah began a phenomenal arms buildup. The last few years have seen the Gulf states, particularly Saudi Arabia, making available increasing amounts of money for the purchase of aircraft and other equipment.

Saudi Arabia is now the leading spender. In May, it announced a record military and internal security budget appropriation of \$2.5 billion (about \$24.2 billion) for 1981-1982. The air force, under the Peace Sun project — assuming U.S. congressional approval — is to get 62 McDonnell Douglas F-15 fighters, with conformal fuel tanks to increase their range, and improved armaments including AIM-9L air-to-air missiles.

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Had it not been for the demise of the Arab Organization for Industrialization, which was set up by Saudi Arabia, Egypt, Qatar and

(Continued on Page 14S)

ARAB LINES

U.S., Europe Vie to Sell Replacements for Fleets

LONDON — The battle to supply fleet replacements for Arab airlines in the last 12 months has shown that the Middle East is a major market for the world's aircraft manufacturers. It is no less important for the suppliers of the infrastructure needed to support an expansion of air travel in the region.

The International Civil Aviation Organization (ICAO) has estimated that the potential value of aircraft and civil aviation equipment to be sold in the Middle East between 1979 and 1988 is \$9.3 billion.

In the last year, the region has seen aggressive campaigns by Europe's Airbus Industrie and Boeing of the United States to win the market for new-generation, medium-range aircraft. The latter are needed to replace familiar although increasingly uneconomical planes such as the 707. The new-generation contenders are principally Boeing's 767 and the Airbus A-310, both wide-bodied.

The market is big enough to warrant a fight. Boeing's Middle East sales director, Duane Long, has said that there could be a need for 75 to 100 of these aircraft in the next 10 years. Airbus executives put the potential demand even higher — 120 to 150 planes worth a possible \$6 billion.

Boeing still dominates the long-range wide-bodied market and has been encouraged by the recent decision by the U.S. State Department to allow the sale of three 727s and two 747-200s, worth a total of \$184 million, to Iraqi Airways. A State Department spokesman commented that the deal was approved for "sound business reasons." But even the 747 may find an Airbus competitor in a four-engine stretch derivative of the A-300. A prototype under consideration is designated the TA-11. A new single-aisle jet is also being considered.

The acquisition of advanced passenger aircraft by Arab airlines is matched by huge investments in airport infrastructure. The new King Abdulaziz International Airport at Jidda, dedicated by King Khalid in April, has so far cost an estimated \$5 billion. Built on an area of about 40 square miles, it is as big as New York's John F. Kennedy and La Guardia airports, Chicago's O'Hare and Los Angeles airport combined. It is one of three new airports being built or planned by International Airports Projects, an arm of the Saudi Arabian Ministry of Defense and Aviation.

A second airport, now half completed, will serve the capital, Riyadh. The third will serve the oil-producing eastern province and be located near Dhahran on the Gulf.

Observers consider that, outside of Saudi Arabia, few spectacular investments are likely. Jordan is building the Queen Alia, a new airport, to serve Amman. The United Arab Emirates is considering yet

<h3

AEROSPACE

Greece Builds Major Maintenance Industry

By Gerard Castorides

ATHENS — When Turkey invaded northern Cyprus in 1974, the Greek military forces were caught totally unprepared. The Hellenic Air Force was virtually crippled by a lack of spare material, aircraft maintenance and management systems, and by its dependence on U.S. good will for engine overhauls and supplies. Never again, the Greeks decided.

In 1975, the government in Athens decided to start an aircraft maintenance industry from scratch. Hellenic Aerospace Industry (HAI) was created and allocated \$320 million by the state (87 percent) and EVA, Greece's industrial development bank. The intent was self-sufficiency in maintenance for the air force and Olympic Airways, the national airline. In the process, and together with a

Greece insists that, when it replaces its Phantoms and Corsairs, it will purchase aircraft only from companies prepared to have many components made in Greece.

group of aerospace companies from the United States, Greece managed to set up the largest civilian and military aircraft maintenance and spares depot in the eastern Mediterranean.

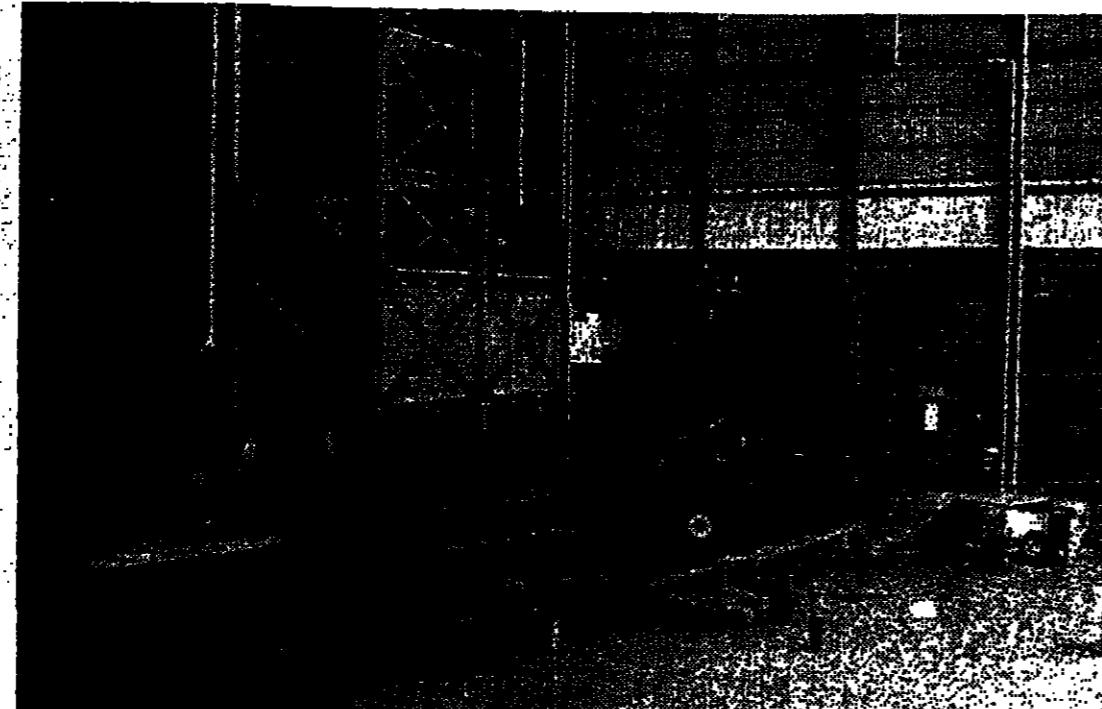
HAI is located at Tanagra, Greece's main air force base. Construction of the 457-acre facility was supervised by the Austin Co., a U.S. firm, while Lockheed Aircraft International was contracted to provide technical assistance and quality control. Lockheed also assumes the operating management.

In the first phase, the Greek company set up a plant for engine, cell and electronics maintenance

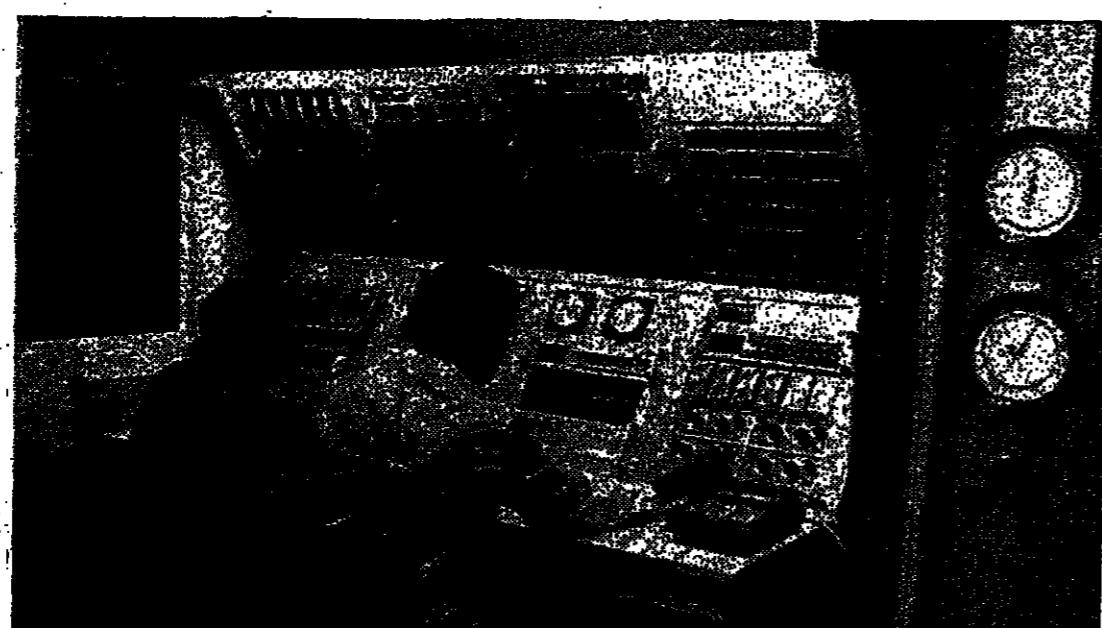
and for the nation's F-104 Starfighters, F-4 Phantom, Mirage F-1Cs, A-7H Corsairs and C-130s.

In the second phase, four depots organized as independent industrial units were built.

The Aircraft Depot can handle full overhauls, major modifications and repairs of high-performance



Hellenic Aerospace Industry's High Bay Hangar (above) has a clear-height of 22 meters and an area of 9,000 square meters. It accommodates any wide-body aircraft. Below, the control room of the Jet Engine Test Cell, by Hellenic.



military aircraft, helicopters and commercial aircraft structures and systems. It can deal with 24 types of military and commercial aircraft. Lockheed Aircraft Service Co., another subsidiary of Lockheed Aircraft Corp., is providing technology and supervision.

The Engine Depot consists of a 14,000-square-meter engine-

overhaul building, and test cells; it can process 20 types of engines. It has a test area for turbines, turboshafts and thrust calibration systems, with technology provided by General Electric, and can test engines with thrusts up to 30,000 pounds.

A 12,000-square-meter Electronics Depot, provided by Westing-

Last summer, it appeared at the Farnborough show and this year it is taking part in the Paris show at Le Bourget.

Contract With U.S.

HAI has signed \$34 million worth of contracts this year. After Greece's air force, the main client is the U.S. Air Force. HAI has concluded an \$18-million deal to overhaul the Air Force's L-79 engines (which equip U.S. aircraft based in the eastern Mediterranean). Part of this success is HAI's location — previously, the engines had to be taken as far as Britain and Belgium. The U.S. Sidewinder air-to-air missiles are also serviced at HAI's missile maintenance center, and the company has confirmed that it will take part in the Patriot missile program. The Patriot is an aircraft-fired missile designed to complete the Sidewinder armament system, and will equip NATO air forces in the second half of this decade.

The Greek company has signed contracts with Avions Marcel Dassault-Breguet to manufacture parts of the Mirage F-1C fighter, and with Aeria to produce parts for the G-222 twin-engine military transport. Beginning in 1982, it will manufacture the door frames for the A-300 under an agreement reached earlier this year with Airbus Industrie.

HAI is reportedly negotiating with an Arab country to overhaul both Western- and Soviet-made aircraft engines. Although the company will not disclose the name of the country, it is believed to be Iraq.

The company expects more engine overhaul contracts from Middle Eastern air forces. Its information officer, Spiros Karayannis, said, "When it comes to maintenance in the Middle East, we are in competition with everybody else in the aerospace business. However, we are a lot nearer to the Middle East than others. We can produce more competitive prices because we can cut transport prices." HAI has already trained air force maintenance technicians from Dubai and Lebanon.

HAI hopes to do more manufacturing when Greece decides which aircraft will replace the Hellenic Air Force's Phantoms and Corsairs and some of Olympic Airways' short- and medium-range planes. Greece insists that it will purchase aircraft only from those companies prepared to have as many components manufactured in Greece by HAI "as technically possible."

Mr. Khan said that in Europe it was far more of a political question, as all operations are controlled by the International Air Transport Association within a tight cartel. He is against the nationally owned airlines, which, he feels, are often inefficient due to the lack of competition and the promise of government subsidies.

As air travelers in the United States know, one immediate effect of deregulation has been a bewildering array of apex superair, superconomy, fares effective on certain days, certain flights, with different restrictions, advance bookings and the airlines fiercely competing with different attractions.

ONE MAN'S DREAM

When schoolteacher John Edgley finally yielded to his desire to build aircraft, he set up operations in his home in Islington in north London. Taking his inspiration from the darting dragonfly, he created this observation craft — from design to flight-tested prototype — in three years, moving his family next door when actual construction started. The craft, designated the Optica, is powered by a 180-horsepower Lycoming engine that drives a ducted fan. It cruises at 57 mph and can keep this up for 13 hours. Mr. Edgley, who has invested more than \$200,000 in the project so far, has brought his brainchild to the Paris Air Show in search of potential investors. The estimated price tag of a production model: \$120,000.

U.S. Shift Brings Price Cuts

(Continued from Page 9S)

domestically. "Of course, it's just up our street."

On deregulation going to Europe, Mr. Lampl feels that it will not happen without battles. "Air routes are jealously guarded," he said, and more than a certain number of flights and routes will not be permitted.

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New York Air offered a bottle of champagne to each adult flying on its Boston-Washington route. Panam has what they call the lowest-priced ticket of any airline from the United States to Australia: the "terrific Pacific" fare.

All airlines expect to see the disappearance of the Civil Aeronautics Board. Carman Cappadonna of CAB said in New York recently that "an early demise of CAB was foreseen." The White House has proposed October, 1982, as date of demise.

Mr. Cappadonna said that the official line out of Washington was that deregulation was working, although he added that many larger carriers did not like it. He added mischievously: "Let's see how they manage when we're gone."

Beech just turned a plentiful resource into a practical fuel source.



Methane.

The answer is all around us.

It's here. The answer to the fuel shortages of today and the promise of energy for the future, is plentiful methane.

Today methane is all around us in the form of natural gas. It's one of our most abundant natural resources. And unlike gasoline, this fuel has a future.

We'll never run out of methane. In fact, we can produce a never-ending supply of it from such unlikely (but plentiful) sources as garbage and manure.

But plentiful as methane is, it is of little value as a fuel until we found a way to contain it. Safely, practically and economically. That is where Beechcraft came in.

Beech developed the technology to harness LMG.

For nearly half a century Beech Aircraft has been solving man's transportation problems in the air and in outer space. Now we've applied that experience to more down-to-earth problems.

Using technology we pioneered for the U.S. space program, Beech turned plentiful methane into a practical fuel. All it took was the application of cryogenics—the science of extremely low temperatures.

When methane is liquified, it can be stored safely and practically. But that requires temperatures less than -162°C. That was no problem for Beech. We had already developed tanks to hold that temperature all the way to the moon and back.

Soon the world's fleets will turn a better profit.

Now that the technology exists to turn methane into a practical fuel, it won't be long until the world will run more efficiently.

The first to enjoy this new driving force will be the fleet customers. Their reward will be a cleaner burning fuel at about half the cost of gasoline.

And to make this even more attractive to them, many governments are offering special incentives for methane conversions.

At long last, we're on the road to a practical new fuel source. And Beech is proud to be a part of it.

Together we have a new driving force.

We now have a new driving force. More than that, we have the technology to harness this force and make very practical use of it.

Beech engineers stand ready to work with you on all aspects of the Liquified Methane Gas (LMG) systems, from finding a source of methane to training your maintenance personnel to make the very simple conversion.

With your help and Beech technology, we can all look forward to plentiful, practical fuel for the future.

For more information, write to Mr. Michael Neuburger, Alternative Energy Division, Beech Aircraft Corporation, Dept. L1, Wichita, Kansas 67201.



Beechcraft
Alternative Energy Division

A new driving force.

AEROSPACE

Israel Stresses Specialized Military Gear

By Jane Friedman

GIVATIM, Israel — Israel Aircraft Industries, an exhibitor at the Paris Air Show since 1971, will show a vast array of its wares this year, but it will not show the Kfir, its superior jet fighter, which created a sensation at the 1977 air show.

IAI, Israel's largest industry with \$300 million in annual turnover, is featuring two civilian aircraft that it hopes to distribute widely, and a variety of military subsystems, particularly missiles and electronic warfare gear.

The reasons are clear. Israel has not yet managed to export the Kfir, its only combat aircraft, mostly because of political obstacles. In addition, the government cut its military budget last year.

Although Israel Aircraft Industries is still scheduled to produce a second-generation combat plane called the Lavi, other projects were caught in the squeeze. So Israel is seeking to sell abroad the smaller subsystems, which are more marketable than the big items. Also, since the early 1970s, Israel's civilian aircraft have done well abroad and have therefore been improved. "The cut in local orders is the reason we are pushing exports and civilian craft," said Shai Tadmor, press manager for IAI.

Hirsch Goodman, military correspondent for the Jerusalem Post, wrote: "While in the past, the defense establishment has concentrated primarily on producing what the Israel Defense Forces need, the next decade will concentrate increasingly on exportable items." He continued: "Israel has learned that one does not necessarily have to produce a plane or tank in order to make money on the international marketplace. Instead one can sell highly specialized battle-tested subsystems."

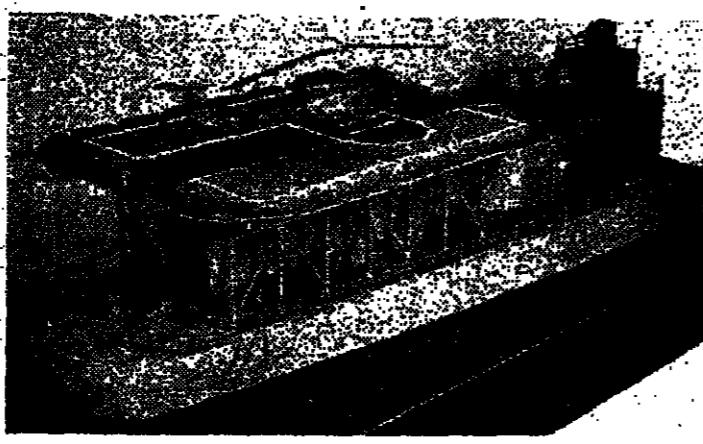
"Noblesse Oblige"

Israel will try to do this partly through the Paris Air Show this year. "Noblesse oblige," Mr. Tadmor said about the status of the show at Le Bourget. "There are not more than 12 countries that manufacture aircraft. We're in that exclusive club, so we have to be there."

The pitch this year, with the slogan "generations of combat-proven defense systems," is aimed specifically at developing countries shopping for comprehensive defense systems at low cost. "The Middle East area, size, has very fertile experience in the last 10 years. The experience from the



Israel Aircraft Industries' cargo Commuterliner — Arava.



Copter platform/hangar for ships by IAI.



The Kfir C2 fighter plane

field is embedded in the industry. Our equipment is combat-proven. Also, we have no political interests and there is no threat of intervention."

IAI is presenting a broad spectrum of recently developed, high-technology gear including radar, signal intelligence, trackers, weapons delivery systems, and electronic warfare and countermeasures. A communications jammer, for ex-

ample, was recently released for export. The industry is also introducing a battlefield surveillance radar that Israel copied from an earlier U.S. version, according to a spokesman for Israel Defense Forces. It has a range of about 60 miles.

It will introduce its so-called point defense missile system, a surface-to-air device that can be used in any kind of weather on multi-

ple, moving targets with electronic countermeasures. It will also bring the third generation of its Gabriel shipborne surface-to-surface missile. An earlier generation was highly successful during the October, 1973, war, sinking 13 Soviet-built missile boats, according to Mr. Tadmor.

Helicopter Pad

IAI now produces items for air, land and sea. This year, it will unveil an imaginative warship helicopter pad. After the landing, the pad and helicopter sink into the ship and another pad closes above them.

But IAI is still an aircraft company, and it has high hopes for two civilian planes, especially in developed countries.

It has re-outfitted its Arava military transport plane to serve as a combination commuter and cargo carrier for short-range trunk lines, particularly in the United States — where it has sold two. It will show the plane in Paris.

In 1980, IAI put its Westwind-2, a medium-price business jet, on the

market, and it is in Paris for the first time. The Westwind-2 is a twin-jet aircraft with a pressurized baggage compartment and central refueling. Thirty-five have been sold, and the Westwind series is second in its category on the U.S. market.

IAI is also developing a third-generation executive jet called the Astra that will be operative in 1984.

The Lavi, which should replace Israel's aging Phantoms and Kfirs, will be produced in 1988, after an outlay of close to \$1 billion in research and development. The fighter is a small, one-engine craft with high maneuverability. IAI is looking for a U.S. company to participate in production; at the same time, it is hoping to co-produce the U.S. F-18 that Israel will buy.

The Reagan administration recently announced that Israel will be permitted to export the Kfir (it is powered by a General Electric engine), reversing the Carter administration's restrictive policy.

Mr. Tadmor said there was a strong possibility that it would sell.

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NYSE Nationwide Trading Closing Prices June 5

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock High	Stock Low	Div. In	Chgs						12 Month Stock High	Stock Low	Div. In	Chgs						12 Month Stock High	Stock Low	Div. In	Chgs												
			3 Yrs.	P/E	100s	High	Low	Prev Quot.				3 Yrs.	P/E	100s	High	Low	Prev Quot.				3 Yrs.	P/E	100s	High	Low	Prev Quot.	Close						
14% 9% AAR	44	-	4-8-A	7	14	1136	111	11	-	14	44	23	Celan	944.50	12	1	34	34	1-24	18	18	18	24	8	17	17	+ 1%	16					
22% 22% ACF	276	5.7	11	92	4876	4876	4856	-	16	126	126	126	23	23	Conco	1374	12	1	34	34	1-24	18	18	18	24	8	17	17	+ 1%	16			
27% 14% ACFM	134	4.9	17	25	2500	2500	2500	-	16	126	126	126	23	23	Centrax	25	12	1	34	34	1-24	18	18	18	24	8	17	17	+ 1%	16			
11% 14% AAM INT	1093	1512	-	1424	1474	1474	1474	-	16	126	126	126	23	23	CentGov	138	12	1	34	34	1-24	18	18	18	24	8	17	17	+ 1%	16			
37% 26% ARA	134	5.9	6	51	324	324	324	+ 3%	16	126	126	126	23	23	CentHed	226	14	5	23	17	162	162	162	-	16	126	126	126	23	23	17	+ 1%	16
91% 42% ASA	50	11	11	7122	5200	5200	5200	-	16	126	126	126	23	23	CentL	138	14	6	17	13	13	13	+ 1%	16	126	126	126	23	23	17	+ 1%	16	
45% 24% AVX	32	9	22	39	224	224	224	+ 1%	16	126	126	126	23	23	CentL	140	14	6	21	19	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
26% 20% AWILD	5	76	76	264	264	264	264	-	16	126	126	126	23	23	CentL	142	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 23% AcmeCo	140	5.8	8	13	64	64	64	-	16	126	126	126	23	23	CentL	144	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
17% 12% AdExa	1300c	1300	-	13	10	104	104	104	-	16	126	126	126	23	23	CentL	146	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16
40% 20% AMD	5	17	778	244	244	244	244	-	16	126	126	126	23	23	CentL	148	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
25% 30% AehLi	232	5.8	6	2255	2040	2040	2040	-	16	126	126	126	23	23	CentL	150	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
47% 16% Ahmns	128	7.8	17	57	52	52	52	-	16	126	126	126	23	23	CentL	152	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
47% 21% Ahleen	120	1.9	11	41	34	34	34	-	16	126	126	126	23	23	CentL	154	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
15% 12% AhlfPr	40	4.1	11	50	45	45	45	-	16	126	126	126	23	23	CentL	156	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
10% 10% Alcino	10	5.7	74	123	14	14	14	-	16	126	126	126	23	23	CentL	158	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
20% 24% AlcPr	132	1.9	11	45	38	38	38	-	16	126	126	126	23	23	CentL	160	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
7% 5% AlcPr	134	1.5	11	45	38	38	38	-	16	126	126	126	23	23	CentL	162	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
47% 51% AlcPr	136	1.1	11	45	38	38	38	-	16	126	126	126	23	23	CentL	164	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 12% AlldCo	1	4.9	11	7	374	52	52	-	16	126	126	126	23	23	CentL	166	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	168	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	170	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	172	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	174	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	176	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	178	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	180	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	182	15	7	21	18	126	126	-	16	126	126	126	23	23	17	+ 1%	16	
22% 17% AlldMot	52	4.7	8	33	79	79	79	-	16	126	126	126	23	23	CentL	184	15	7	21	18	126	126	-	16	126	126	12						

Close																
Close								Close								
12 Month Stock																
High	Low	Div.	In	\$ Yld.	P/E	100s	High	Low	Quot.	Close	High	Low	Div.	In	\$ Yld.	P/E
67	29	IowaBT	.78	1.1	12	457	656	646	656+	76	76	12	12	12	12	12
14	11	IowaEI	1.44	14	4	5	25	124	72	124+	124	12	12	12	12	12
204	144	IowaLG	2.21	14	6	21050	124	134	134+	134	134	134	134	134	134	134
212	15	Iowlif	.92	15	1	1	1	1	1	1	1	1	1	1	1	1
224	146	IowaPS	2.40	12	6	47	214	21	214+	214	214	214	214	214	214	214
247	20	IowaR	2.72	12	6	341	64	504	504+	504	504	504	504	504	504	504
416	34	IowaCo	.72	45	5	52	304	504	504+	504	504	504	504	504	504	504
512	34	IowaCo	3.04	45	5	32	304	504	504+	504	504	504	504	504	504	504
474	17	IowaCo	.304	3	3	17	105	304	304+	304	304	304	304	304	304	304
294	199	JWLT	1.44	52	8	12	254	254	254+	254	254	254	254	254	254	254
204	200	JmesF	1.65	63	11	13	26	214	214	214+	214	214	214	214	214	214
312	164	Jrvr	.48	84	5	73	446	446	446+	446	446	446	446	446	446	446
644	44	Jrvr	5.40	84	5	73	446	446	446+	446	446	446	446	446	446	446
187	74	Jswm	.12	13	7	82	115	114	114+	114	114	114	114	114	114	114
114	84	Jyph	1.87	95	5	82	115	114	114+	114	114	114	114	114	114	114
274	234	JeffPiH	1.52	54	6	82	115	114	114+	114	114	114	114	114	114	114
78	53	JerC	9.34	17	208	53	55	48	48+	48	48	48	48	48	48	48
61	43	JerC	8.1	16	20	43	412	412	412+	412	412	412	412	412	412	412
94	34	Jewlcr	2.24	55	8	42	412	412	412+	412	412	412	412	412	412	412
314	196	JhmN	1.92	97	9	89	304	196	196+	196	196	196	196	196	196	196
354	256	JhmJhn	5	77	107	366	264	314	314+	314	314	314	314	314	314	314
345	214	JhmE	1.30	44	10	104	104	104	104+	104	104	104	104	104	104	104
120	84	JhmS	5.13	53	11	114	204	204	204+	204	204	204	204	204	204	204
524	294	Jhnsen	1.20	33	7	62	124	124	124+	124	124	124	124	124	124	124
193	13	Josten	3.84	45	10	10	354	354	354+	354	354	354	354	354	354	354
424	224	JoyM	1.3	—	—	208	354	354	354+	354	354	354	354	354	354	354
554	240	KLM	37	57	53	52	52	52	52+	52	52	52	52	52	52	52
204	154	KlsmAl	.96	44	11	121	224	246	246+	246	246	246	246	246	246	246
114	76	KlsmCo	5.75	57	43	43	1	1	1	1	1	1	1	1	1	1
204	175	KlsmC	1.40	43	8	20	224	224	224+	224	224	224	224	224	224	224
594	274	KlsmSI	0.72	76	7	22	23	23	23+	23	23	23	23	23	23	23
120	194	KlsmKm	.38	24	7	74	71	71	71+	71	71	71	71	71	71	71
404	194	KlsmKm	.30	43	8	23	23	23	23+	23	23	23	23	23	23	23
224	182	KlsmKyP	2.74	43	8	23	23	23	23+	23	23	23	23	23	23	23
404	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
204	144	KlsmKyP	2.24	43	8	23	23	23	23+	23	23	23	23	23	23	23
544	324	KlsmKyP	2.24	43	8	23	23									

EST

BUSINESS NEWS BRIEFS**ICL to Cut Its Work Force by 5,200***The Associated Press*

LONDON — ICL Ltd., the major British computer electronics firm, announced Friday it was cutting its work force by 4,200 in Britain and 1,000 overseas.

The announcement came less than a month after a management shakeup following heavy losses for the group and a fresh government loan guarantee of up to £200 million.

The company expects another "significant loss" when results for the first half of this financial year are reported next week, "largely caused by the effects of severe economic recession," the company said in a statement.

Citibank, Pearson Offer Stock Data*The Associated Press*

NEW YORK — Citibank and J.P. Morgan & Co. said Friday they have begun marketing "Stockport," a database of institutional stock portfolios.

Citibank said "Stockport" available through its time-sharing facilities, provides data on 2,500 portfolios and mutual fund filings.

China to Allow Drilling by 2 U.S. Firms*The Associated Press*

LOS ANGELES — China has signed an agreement with two California-based energy companies to drill for oil and gas, the first time the Chinese government has agreed to permit a U.S. company to drill since the Communist government took power in 1949.

Atlantic Richfield and Santa Fe International said Thursday they had reached agreement with China's National Oil and Gas Exploration Development Corp. to explore for oil and gas in an area of the South China Sea and to share any subsequent production. Drilling could begin by year's end, Arco said.

The last time a U.S. company actively explored for oil in China was more than 80 years ago, when Standard Oil of New York (now Mobil) drilled five consecutive dry holes onshore.

Harvester Nears Debt Refinancing*Reuters*

CHICAGO — James C. Cotting, International Harvester's senior vice president for finance, said Friday that lenders accounting for close to 95 percent of the funds involved in its proposed \$3.4 billion revolving credit facility have agreed in principle to participate in the refinancing.

Last month the company had put the proportion at about 90 percent.

Speaking to reporters after an all-day meeting with representatives of about 200 banks, Mr. Cotting said no new problems had surfaced to impede the debt restructuring program.

Elf Refining Unit Expects Loss*Reuters*

PARIS — Elf-Aquitaine's refining and distribution subsidiary Elf-France could report a loss of 1.2 billion French francs (\$2.08 million) in the first half of 1981, Michel Schneider-Maumouy, Elf-Aquitaine Chemical and Industrial developments director told a press conference Friday.

Losses in the first four months of 1981 reached 502 million francs, after a 593 million franc loss for all of 1980.

The predicted first half loss represents a loss of around 32 centimes per liter on the retail price of oil products, Mr. Schneider-Maumouy said.

The order, worth \$500 million, includes an option for two 130,000-ton and three 100,000-ton bulk carriers. A final contract awaits approval by the Brazilian institutions involved.

G.M.'s Opel Subsidiary Expects Loss in '81*Reuters*

RUETTSISHEIM, West Germany — General Motors' subsidiary Adam Opel may record a loss in 1981 after a 1980 loss of "several hundred million marks," Management Board Chairman Robert Stempel told workers Friday.

A company spokesman said Mr. Stempel made the statement in a letter to employees. Business has shown some improvement so far in 1981, but there is still lack of interest in medium to upper range cars, he said. In 1979 the company's net profit was 253.1 million Deutsche marks.

Dutch Firm to Sell Ships to Brazilians*Reuters*

ROTTERDAM — Rijn-Schelde-Verolme Machinefabrieken en Scheepsverwerken said Friday its Verolme Brazil yard and the Brazilian state-owned shipping company Comodave signed a letter of intent for delivery of three 130,000-ton bulk carriers.

The order, worth \$500 million, includes an option for two 130,000-ton and three 100,000-ton bulk carriers. A final contract awaits approval by the Brazilian institutions involved.

GM's Opel Subsidiary Expects Loss in '81*Reuters*

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Bankers Debate U.S. Rates As Dollar Gains Strength

(Continued from Page 1)

Swiss central bank, warned that "we should not overreact to the weakness of our currencies by making monetary policy more restrictive. In Switzerland, I assure you, although we will not reach our monetary targets this year, we do not intend to take any action toward a more restrictive policy."

Gordon Richardson, Bank of England governor, said special measures to bolster the pound should not be taken, and he stressed that British monetary policy is designed "primarily to defeat inflation" and that policy "remains in force."

The pound fell to \$1.9280 at one point, picked up slightly to \$1.9375, but fell off again to \$1.9250.

The dollar reached 227.55 yen in Tokyo, its highest level in 10 months. The dollar traded at 2,1440 DM, up 3 pence from Thursday's fixing of 2,3955 and the highest rate since Jan. 27, 1977.

Dealers said high U.S. interest rates were only part of the cause behind the dollar's rise. They also cited concerns on the viability of East-West detente. In London, the market finished the day at 2,4100.

Fritz Leutwiler, the head of the

Bonn Surplus Down in April*Reuters*

FRANKFURT — West Germany had an overall balance of payments surplus of 3.68 billion Deutsche marks in April after a March surplus of 8.14 billion DM and a 6.26 billion DM deficit in April 1980, the Bundesbank said Friday.

The smaller surplus in April from the so-called gentlemen's agreement between banks and the Bundesbank to reduce long term lending abroad, the central bank said.

The ruling Thursday, stemming from an appeal by six Japanese TV manufacturers, held that Japanese companies were still selling their products in the United States for less than Japanese buyers pay. According to U.S. government figures, some Japanese-made televisions sell for the equivalent of \$200 to \$300 more in Japan than in the United States.

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Japan's Ministry of Internation

al Trade and Industry on Friday expressed "serious reservations" about the ITC ruling. An official noted with surprise that the ruling came one year after the United States determined that domestic TV makers were not suffering sufficient injury to merit renewing the market agreement that controlled Japanese TV sales in the United States.

A company spokesman said 4,000 workers face the loss of 25 working days over two six-week periods. A third period of reduced working has yet to be arranged. It is likely the factory, which has already lost 40 working days this year, will also have to work shorter hours at the beginning of next year, he said.

ITC Turns Down Japan TV Appeal*The Associated Press*

TOKYO — The U.S. International Trade Commission has upheld a 1971 ruling that Japanese television makers were dumping their products on the U.S. market.

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DAF Plans to Shorten Eindhoven Schedule*Reuters*

EINDHOVEN, the Netherlands — DAF Trucks said Friday it will again shorten working hours at its Eindhoven factory this year as part of continuing measures to cut production.

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Analysts Assay Gold's Outlook*By Rory Channing**Reuters*

LONDON — Gold prices are expected to fall with the 1980-81 low of \$457 soon, and possibly move under \$450 for the first time since Dec. 12, 1979, senior bullion dealers say.

They are impressed with the resilience gold has shown in the face of the recently strong dollar associated with near-record U.S. interest rates, but believe the price is for high rates to be maintained, which will press gold lower.

The dealers noted increased support for the metal emerged around \$460, after it fell slightly below that for a while Thursday from its previous \$473.75 close. Gold was fixed here Friday morning at \$460.25 an ounce.

Central bank buying reflects some element of recent support, but Thursday's support predominantly was related to trader participation and fairly heavy short-covering, they added.

They said the lower levels have attracted no discernible pickup in interest from industrial or jewelry manufacturing sectors, adding that these are approaching a traditionally slack period through the European summer.

A couple of dealers said if gold breached \$450 an ounce it would probably establish a fairly solid base around \$440.

"I don't see gold going down with a bang, however. Any further decline is likely to reflect a staggered, drift tendency," one said.

He said attention will remain focused on the United States, and the situation there, embracing not only considerably high and positive interest rates in real terms but also apparently falling inflation at a time when economic growth has proved to be unexpectedly robust.

The gold market will remain constrained by uncertainty about the duration that U.S. interest rates will stay high, and also until a clearer picture emerges of the new U.S. administration's economic performance and the extent it affects inflationary expectations.

Dealers said that barring a major world political conflagration, gold's upward potential through the remainder of 1981 and into 1982 is severely limited and \$525 seems a likely ceiling over the next six to nine months.

One agreed with the view voiced Thursday night by Credit Suisse Executive Vice President Hans Mast that a return to more than \$520 is doubtful even in the next 12 to 18 months.

Mr. Mast, a member of the International Conference of Commercial Bank Economists, told a press conference in Hong Kong that near-term high interest rates and an abating fear of inflation should keep the price of gold steady, barring any disastrous political development.

Mr. Mast said the increase in central bank monetary gold reserves in 1980 represented around 10 percent of new gold supplies, the first increase on such a scale since the 1960s.

He said he was optimistic about gold's future partly because of a changed attitude of government authorities to gold, reflected in central bank buying. This could be traced back to the U.S. government's official decision to freeze Iran's assets during the hostage crisis.

This had prompted governments to consider holding more of their monetary reserves in gold as a defensive measure against a foreign power seizing their assets, he said.

Also, in contrast to oil, gold production had shown itself unaffected by increases in price, he said, adding that production had actually decreased.

Silver Is Depressed

NEW YORK (AP) — High interest rates and a strong dollar continue to depress the price of silver which at one point Thursday broke below the psychological \$10-an-ounce barrier, with futures contracts for current delivery falling to \$9.95 a troy ounce on the Commodity Exchange Inc. in New York.

It was the lowest spot price for Comex silver since August, 1979.

Silver has also weakened with the prospect that the Reagan administration would move to sell 139 million ounces of silver from the government's stockpile to swap for more strategic metals, such as platinum. But the metal got a potential boost when a House Armed Services subcommittee unanimously rejected the administration's request, and instead approved a bill that would not allow any silver sales.

Room for Optimism

Prices for consumer food at the wholesale level stayed even in May for the second month in a row, and passenger car prices continued to rise, climbing 1.2 percent after a 1.4-percent gain in April.

Capital goods prices rose 0.9 percent, including big increases for agriculture and construction machinery.

The 0.4-percent overall increase is in the Labor Department's producer-price index for finished goods — which is considered a good indicator of future price trends in retail consumer prices.

Analysts saw further cause for optimism: At the beginning of the goods pipeline, where raw materials are purchased, prices in May went down 0.5 percent. Unprocessed coffee prices went down a remarkable 23 percent, raw cane sugar dropped by 18.4 percent, and cattle, hogs, wheat and corn fell as well.

"The stronger dollar is having a major effect on commodities, especially in the agricultural sector," said private analyst Michael Evans of Washington.

Clausen Backs World Bank Energy Unit*By Hobart Rowen**Washington Post Service*

LAUSANNE, Switzerland — A.W. Clausen, president-elect of the World Bank, has said in an interview here that he is "attracted to the idea of a new energy affiliate for the bank, which would be responsible for helping to finance energy development in the Third World."

The Reagan administration officially notified the World Bank at the beginning of its term that for the moment it could not support the affiliate proposal, pending completion later this year of a study of all U.S. commitments to multilateral lending institutions.

Mr. Clausen, who succeeds Robert S. McNamara as World Bank president July 1, recently resigned as chief executive officer of Bank of America, the holding company for the largest U.S. bank.

Here for the annual meeting of the international monetary conference of the American Bankers Association, Mr. Clausen said Thursday that obtaining a greater supply of energy is the "main problem we face" and that a World Bank affiliate concentrating on energy would have many favorable aspects.

The Reagan administration's attitude toward the energy affiliate — endorsed by the United States and others at the Venice summit in 1980 — became one of the contentious points between the United States and the less-developed world.

"I'm going to go for energy," Mr. Clausen said, "and I don't intend to lose the war. I will very carefully analyze the arguments raised against an energy affiliate, and if there is some other way to do it, that's what I will do. But the main idea is to get the energy."

He said the Reagan administration is also anxious for energy development, despite what some other nations believe.

Polish Debt Talks Reset

Reuters

LONDON — The 19-member task force of international banks considering the restructuring of Poland's 1981 commercial debt has delayed its next meeting in Paris by one week, to June 24, it was announced Friday. The postponement is intended to give U.S. banks more time to arrange discussions on the issue.

Common Market officials have attacked Japan for flooding the EEC with cars, color televisions and some other products, while effectively raising trade barriers against EEC products.

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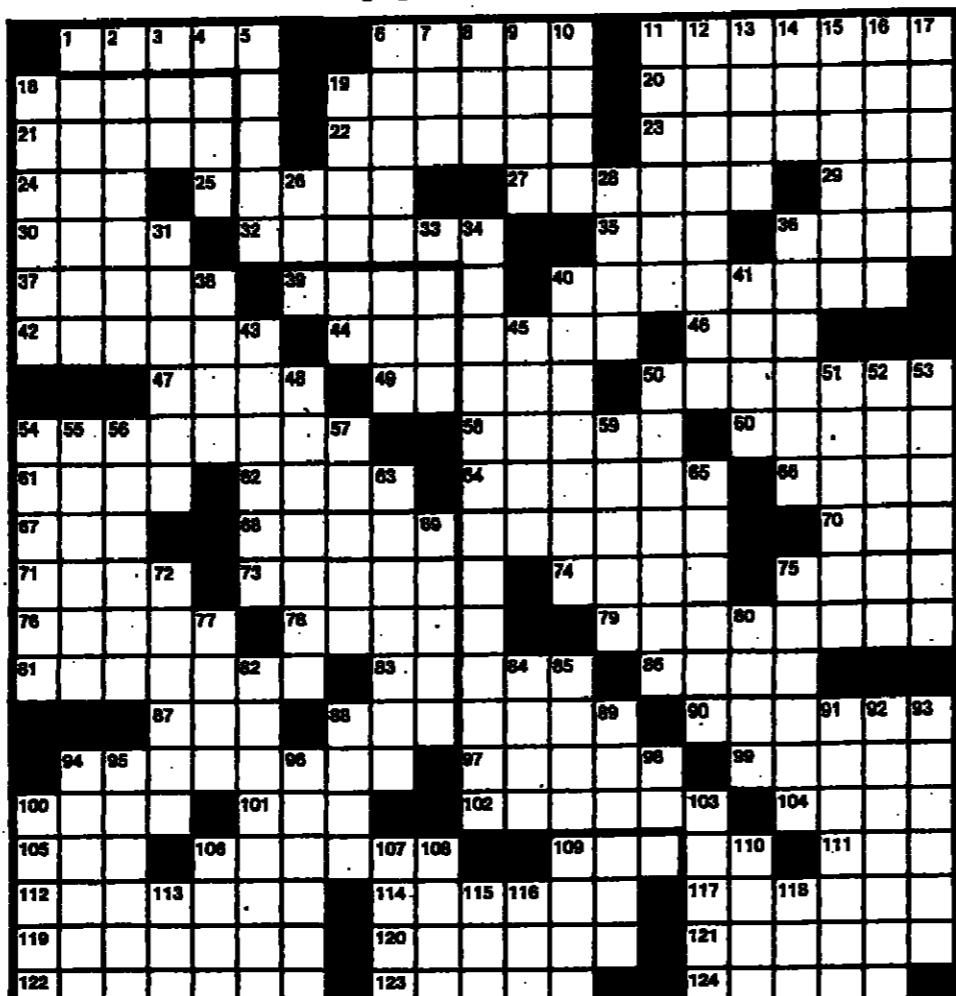
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30 Liturgy
32 Stepquote: Part III
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39 Merchandise
40 Associates of the Lincolns
42 Off a battery terminal
44 Send on a detour
46 Former initials at Cairo
47 Malefic
48 Immense
50 Set of a sort
54 Love poem or song
58 "I cannot lie"
60 Facing a glacier
61 "Bullets," in poker
62 Ally of Aladdin
64 Cesars
65 Army
67 Small flounder
68 Garnish for pasta

CROSSWORD PUZZLE

Edited by EUGENE T. MALESKA

Stepquote By E.T.M.



DOWN

1 Comic
2 Hamlet's friend
3 "—nu."
4 —up (spill the beans)
5 Stepquote: Part II
6 Give abundantly
7 Peaked
8 —Jims
9 Beautiful woman
10 First place
11 Shark's hanger-on
12 About 8 percent of earth's crust
13 Freshwater fish
14 Kabbible

DOWN

15 Cossack chief
16 Strong smells
17 "Kenilworth" author
18 Capital of Lacaia
19 —of 1812
20 Dir. from Paris to Calais
21 Adjective for a koala
22 —Jims
23 Nobelist in Physiology or Medicine: 1954
24 Prefix with plane
25 Stepquote: Part IV
26 Photographer married to Arthur Miller
27 Sifaka or potto
28 Chawbacons

DOWN

40 Dallas and Kowalski
41 Rackstraw and Deadeye
42 Bind up the wounds
43 Plaintiffs
44 Base for cosmetics
45 Liked
46 Note-pad artwork
47 Campaign concerns
48 "Lady Inger of —" Ibsen
49 Bovary, for one
50 University in Nova Scotia
51 Interdicts
52 Soft candles
53 Admire
54 Take-charge person
55 Popular song of 1926
56 Triangles
57 Sifaka or potto
58 Chawbacons

DOWN

DOWN

Solution to Last Week's Puzzle

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Borg Storms to Paris Final; Lendl Beats Clerc in 5 Sets

By Nick Stout

International Herald Tribune

PARIS — Bjorn Borg added some color to his game Friday and drove Victor Pecci out of the French Open tennis tournament 6-4, 6-4, 7-5. The victory earned Borg a meeting with Ivan Lendl for the championship Sunday.

Lendl eliminated Jose-Luis Clerc, 3-6, 6-4, 4-6, 7-6, 6-2, after surviving a match point in the fourth set's tiebreaker.

Borg had lost to Pecci for the first time last April 14 in Monte Carlo, and perhaps he was inspired by an urge to settle accounts. To complement his familiar ground strokes and backhand passing shots, Borg dusted off his volley and made it work — especially in the first set.

"I tried to come in as much as I could," he said. "It's difficult to make perfect passing shots all the time."

Clerc, from Paraginay, has been highly popular at Roland Garros Stadium ever since he cruised into the 1979 final against Borg by sweeping past Harold Solomon Guillermo Vilas and Jimmy Connors.

Although he lost his quest for the title that year, Pecci extended Borg to four sets, something no body has been able to do here since.

In losing Friday, Pecci displayed his full repertoire. While his aggressiveness earned him many points, he was frustrated by the consistent accuracy of Borg's returns. Pecci also had trouble controlling the reins on his first serve.

"Sometimes I served well, but I returned everything," Pecci said. "So I kept trying to serve harder and harder. That's why I was missing." Pecci's serve seemed to be working in the third set, but by then Borg was also in high gear.

In the first set, Borg broke serve to go ahead, 2-1. The pair then played an extended game that was finally won by Pecci on a passing shot that sailed past Borg, who was breathing on the net. Each held serve until the score was 4-4; then Borg went on top as Pecci netted a drop-shot. Borg wrapped up the set six points later when Pecci volleyed long.

Pecci opened the second set by double faulting at love-40. He broke back late to make the score 3-3, but he was being beaten with increasing frequency by the fine passing of Borg, now settling back home at the baseline.

With Borg serving for the set at 5-4, Pecci created two set points by sending balls farther than the rules permit. He saved the first one with a good volley, but lost the set on another long shot.

Anger-Vented

But Pecci thought the ball had landed in bounds, and to vent his anger, he opened the third set with a service ace. He broke Borg in the sixth game to go ahead, 4-2, but promptly allowed Borg to get the game back by netting easy drop shots.

Pecci broke again to take a 5-3 lead, but he could not capitalize on it, as he gave away two set points and lost the ninth game by double faulting.

With Borg serving at 4-5, Pecci established set point: A drop shot left Pecci sprawled on the clay, but it was so good Borg could not touch it. But Pecci squandered the opportunity again, making three consecutive errors that left the match tied at 5-5.

Exasperated, Pecci double-faulted twice in the next game, and fi-

nally lost the match when he was beaten on a clean cross-court return of volley.

"Asked what it takes to defeat Borg, Pecci replied: "Maybe I have to improve my volley. Especially my punch volley. Borg was getting them and passing me".

Lendl and Clerc are a couple of experts on clay, and few were surprised that their match lasted four hours and 23 minutes.

"Physical condition made a difference," Lendl said. "I'm very fit. He got a little tired at the beginning of the fifth set. I recognized that and tried to take advantage of it."

Lendl, who is 21, has defeated Borg in four of the six matches they have played. Last year in Basel, Switzerland, the pair battled for four and a half hours indoors before Lendl was able to win the fifth set.

"I tried to come in as much as I could," he said. "It's difficult to make perfect passing shots all the time."

Clerc pulled ahead, 6-5 — giving him match point — but Lendl escaped by unloading a serve that his rival could barely get his racket on. Lendl took the lead when Clerc sent a ball into the net, but then he made the same mistake and it was even again.

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With Borg serving for the set at 5-4, Pecci created two set points by sending balls farther than the rules permit. He saved the first one with a good volley, but lost the set on another long shot.

Anger-Vented

But Pecci thought the ball had landed in bounds, and to vent his anger, he opened the third set with a service ace. He broke Borg in the sixth game to go ahead, 4-2, but promptly allowed Borg to get the game back by netting easy drop shots.

Pecci broke again to take a 5-3 lead, but he could not capitalize on it, as he gave away two set points and lost the ninth game by double faulting.

With Borg serving at 4-5, Pecci established set point: A drop shot left Pecci sprawled on the clay, but it was so good Borg could not touch it. But Pecci squandered the opportunity again, making three consecutive errors that left the match tied at 5-5.

Exasperated, Pecci double-faulted twice in the next game, and fi-

would look her in the eye and talk pleasantly before a match. She also had to learn to blend the liking and the desire into her own desire to beat them all.

The killer instinct did not transfer to all sports. Last fall, she discovered she did not want to risk her cellist's fingers catching gym-class football passes, playing against boys. Her time for all-out effort would come this spring in her last high school badminton season.

Her father could not keep up with the transformations. Forget about the little girl who used to announce "my feet are tired" every time they went to the city or when she arrived home from kindergarten at 11:30 each morning to share lunch and the antics of the Cookie Monster with him. That was ancient history. This time was spending up.

Only 15 months ago his daughter had discovered the joy of being a jock, pushing herself into shape. She had invited herself along on one of his afternoon runs, asking pertinent questions about pace and exercise and diet. Most of her role models were women: her mother, her cello teacher, the leaders on her summer bicycle tour. Her father was glad to be able to share a few rudimentary points about being a jock.

But there came an afternoon, when they were running their favorite two and a half-mile loop, that she asked if he would mind waiting by the car while she ran another mile. Now she takes four-mile runs before breakfast, even on days when she has badminton practice.

The badminton season began well. She worked her way onto the second doubles team with a new partner and began winning match after match. She was particularly happy with the coach, a man who has long coached boys in football and basketball, but proved he could also motivate female athletes.

When the badminton players loafed in practice, he called them "pork chops" — in his vocabulary the worst possible thing an athlete could be. The girls respected him but did not fear him. The cellist liked to call him by his last name: "Jessen, you want us to roll up the nets?" He could handle it.

Because he was fair, she wanted to please the coach. One day she misunderstood his instructions at the end of practice and changed out of her uniform while the rest of the team ran laps round the track. He did not force her to change back, because he said, "I know you'll do your running on your own." The next morning she did four miles, including a lap past his house. He happened to be standing

before the front door and he waved at her.

In the best shape of her life, she discovered she could make shots she had never been able to make before. The running and the practicing was making her perform better. A couple of weeks ago the team upset the defending division champions and the coach proudly announced they had a chance to qualify for the county tournament. The county tournament would be held on the same weekend as the prom in the Midwest.

"He'll kill me," the daughter exclaimed that night. At first her parents did not know if she was talking about the coach or her friend in the Midwest. Maybe she did not know, either, until she began talking out loud about the dilemma.

She wanted to wear the gown to a prom in another city, wanted to visit a good friend. But she and her doubles partner and her teammates and her coach had been working two months to challenge for first place.

"No Way I Can Go"

"We won't know until the week before the prom if we qualify for the county tournament," she told her parents. "I can't make him hang on until then. If I decide to go to the prom, they'd throw me off the team right away and my doubles partner couldn't play for the individual title, either. I've been working on this all spring. There's no way I can go to the prom."

She called her friend in the Midwest who said he understood completely. He could easily ask one of the girls in his school and maybe he would come East this summer.

As soon as she made her decision, the team lost a match and fell into a tie for first place, forcing a playoff with last-year's champions.

In the playoff, the young woman and her teammates were defeated, leaving them with no tournament on the day of the prom in the Midwest. She still holds up the designer gown and wonders when she will get to wear it. But she knows she would rather have worn her blue-and-white badminton uniform on the day of the prom.

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